THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any of the contents of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Get Nice Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

GET NICE HOLDINGS LIMITED
結 好 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTIONS RELATING TO ACQUISITION OF AN ADDITIONAL 15% INTEREST IN GREAT CHINA COMPANY LIMITED AND GRAND WALDO ENTERTAINMENT LIMITED

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

VEDA | CAPITAL
智 略 資 本

A letter from the Board is set out on pages 6 to 20 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at 10/F., Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong on Thursday, 26 August 2010 at 11:00 a.m. (or immediately after the closing of the annual general meeting to be held on 26 August 2010, referring to the notice of the annual general meeting dated 27 July 2010) is set out on pages 165 to 167 of this circular. A form of proxy for use at the meeting is enclosed herewith. Whether or not you propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Tricor Secretaries Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

31 July 2010

CONTENTS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

"Ace Win"	Ace Win Global Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Cheung
"Ace Wisdom"	Ace Wisdom Group Limited, a company incorporated in the British Virgin Islands and wholly owned by Mr. Cheung
"Acquisition Agreements"	the GW Entertainment Agreement and the Great China Agreement
"Announcement"	the announcement of the Company dated 30 May 2010 in relation to, inter alia, the Acquisition Agreements
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Agreement"	the agreement made between Galaxy and GW Entertainment
"Business Day"	a day (excluding Saturday and any day on which a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong and Macau are open for business
"Carnival"	Carnival Club Limited (嘉年華會有限公司), a commercial company incorporated in Macau with limited liability and a wholly owned subsidiary of Great China
"Casino"	Grand Waldo Casino (金都娛樂場), the casino operated by Galaxy and currently located on 1/F of the hotel block of the Hotel
"Clever Switch"	Clever Switch Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
"Company"	Get Nice Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be held at 10/F., Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong on Thursday, 26 August 2010 at 11:00 a.m. (or immediately after the closing of the annual general meeting to be held on 26 August 2010, referring to the notice of the annual general meeting dated 27 July 2010) or any adjournment thereof to approve, inter alia, the GW Entertainment Agreement and the Great China Agreement and the respective transactions contemplated thereunder
"Enlarged Group"	the Group immediately after completion of the Acquisition Agreements
"Facility"	the loan facility granted under the Facility Agreement
"Facility Agreement"	the facility agreement dated 31 January 2007 made between, among other parties, Industrial and Commercial Bank of China (Asia) Limited as facility agent, Guangdong Development Bank Co., Ltd. as one of the lenders and the security agent and Great China as borrower relating to a HK$1,250 million loan facility provided by the lenders named therein to Great China supplemented by a Supplement to Facility Agreement and Security Documents dated 13 September 2007 and a Second Supplement to Facility Agreement and Security Documents dated 28 July 2009
"FPI"	Fast Profit Investments Limited, a company incorporated in the British Virgin Islands
"Galaxy"	Galaxy Casino, S.A., which possesses a gaming concession awarded by the Government of Macau for a term until June 2022 to operate casinos in Macau and which is an independent third party
"Grand Waldo"	Grand Waldo Hotel Limited, a commercial company incorporated in Macau with limited liability and a wholly owned subsidiary of Great China
"Great China"	Great China Company Limited (大中華有限公司), a company incorporated in Macau with limited liability by quotas, and is now owned as to 50% by More Profit, 35% by FPI and 15% by Ace Win
"Great China Agreement"	the agreement for sale and purchase of the Great China Sale Shares and the Great China Sale Loan entered into between More Profit as purchaser and FPI as vendor dated 18 May 2010
"Great China Consideration"	the aggregate consideration for the Great China Sale Shares and the Great China Sale Loan under the Great China Agreement

"Great China Group"	Great China and its subsidiaries
"Great China Sale Loan"	such portion of the shareholders' loans due by Great China which shall on completion of the Great China Agreement represent 15% of all shareholders' loans due by Great China
"Great China Sale Shares"	15% of the entire issued share capital of and equity interest in Great China
"Group"	the Company and its subsidiaries
"GC Shareholders' Agreement (2009)"	the shareholders' agreement of Great China dated 28 July 2009 entered into between More Profit, FPI, Ace Win and Great China
"GW Entertainment"	Grand Waldo Entertainment Limited (金都娛樂有限公司), a commercial company incorporated in Macau with limited liability by quotas, and is now owned as to 50% by Clever Switch and 50% by Wise Gain
"GW Entertainment Agreement"	the agreement for sale and purchase of the GWE Sale Shares and the GWE Sale Loan entered into between Clever Switch as purchaser and Wise Gain as vendor dated 18 May 2010
"GWE Consideration"	the aggregate consideration for the GWE Sale Shares and the GWE Sale Loan under the GW Entertainment Agreement
"GWE Sale Loan"	such portion of the shareholders' loans due by GW Entertainment which shall on completion of the GW Entertainment Agreement represent 15% of all shareholders' loans due by GW Entertainment
"GWE Sale Shares"	15% of the entire issued share capital of and equity interest in GW Entertainment
"GWE Shareholders' Agreement (2009)"	the shareholders' agreement of GW Entertainment dated 28 July 2009 entered into between Clever Switch, Wise Gain and GW Entertainment
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Hotel"	the Grand Waldo complex, a five star hotel resort complex erected on the Land (of which the Grand Waldo Hotel (金都酒店) forms a part) (comprising 4 blocks and certain ancillary open space but excluding any part of the Land for further development)

"Independent Board Committee"	the independent board committee of the Company, comprising all the independent non-executive Directors namely, Mr. Liu Chun Ning, Wilfred, Mr. Man Kong Yui and Mr. Kwong Chi Kit, Victor
"Independent Financial Adviser" or "Veda Capital"	Veda Capital Limited, a licensed corporation to carry out business in type 6 (advising on corporate finance) regulated activity under the SFO, which is appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition Agreements
"Independent Shareholders"	Shareholders other than Mr. Cheung and his associates
"Land"	the piece or parcel of land held by Great China by way of land lease concession situated at Sul da Marina Taipa-Sul Junto a Rotunda do Dique Oeste (with a total area of approximately 36,640 square metres) and identified as "A1" in the cadastral plan no. 5284/1996 issued by the Macau Cartography and Cadastre Bureau on 31 October 2001 and registered with the Real Estate Registry of Macau under nos. 23132 and on which the Hotel was erected with portion of the Land still under construction
"Latest Practicable Date"	29 July 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macao Special Administrative Region of the People's Republic of China
"Material Adverse Change"	any change, the consequence of which is to materially and adversely affect the financial position, business, results of operations, prospects, assets or liabilities of the relevant company
"More Profit"	More Profit International Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
"Mr. Cheng"	Mr. Cheng Kwee
"Mr. Cheung"	Mr. Cheung Chung Kiu, the sole owner of the entire issued share capital of Ace Win and Ace Wisdom
"Mr. Yeung"	Mr. Yeung Chi Hang

"New Great China Shareholders' Agreement"	the new shareholders' agreement to be entered into between More Profit, FPI, Ace Win and Great China on completion of the Great China Agreement for the purpose of regulating the management of Great China
"New GWE Shareholders' Agreement"	the new shareholders' agreement to be entered into between Clever Switch, Wise Gain, Ace Wisdom and GW Entertainment on completion of the GW Entertainment Agreement for the purpose of regulating the management of GW Entertainment
"Property"	the Hotel and the Land collectively
"Reorganization"	a reorganization in the shareholding of GW Entertainment such that Ace Wisdom, currently holding 30% of the shareholding of Wise Gain, becomes a direct 15% shareholder of GW Entertainment instead of an indirect interest through Wise Gain
"SFO"	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Shares"	shares of the Company
"Shareholder(s)"	holder(s) of Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Wise Gain"	Wise Gain Profits Limited, a company incorporated in the British Virgin Islands
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"MOP"	Macau Patacas, the lawful currency of Macau
"%"	per cent.

GET NICE HOLDINGS LIMITED
結好控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

Executive Directors:
Mr. Hung Hon Man *(Chairman)*
Mr. Cham Wai Ho, Anthony
Mr. Shum Kin Wai, Frankie
Mr. Wong Sheung Kwong
Mr. Cheng Wai Ho

Independent non-executive Directors:
Mr. Liu Chun Ning, Wilfred
Mr. Man Kong Yui
Mr. Kwong Chi Kit, Victor

Registered office:
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
10th Floor, Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

31 July 2010

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTIONS RELATING TO ACQUISITION OF AN ADDITIONAL 15% INTEREST IN GREAT CHINA COMPANY LIMITED AND GRAND WALDO ENTERTAINMENT LIMITED

I. INTRODUCTION

On 30 May 2010, the Board announced that on 18 May 2010 after trading hours: (i) More Profit, a wholly owned subsidiary of the Company entered into the Great China Agreement with FPI for the acquisition from FPI of a 15% shareholding in Great China at the total consideration of approximately HK$324 million, subject to adjustment; and (ii) Clever Switch, a wholly owned subsidiary of the Company, entered into the GW Entertainment Agreement with Wise Gain for the acquisition from Wise Gain of a 15% shareholding in GW Entertainment for a total consideration of HK$2.

An Independent Board Committee has been established to advise and give recommendation to the Independent Shareholders regarding the Acquisition Agreements. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the Acquisition Agreements.

The purpose of this circular is to provide you with, among other things, details of the Acquisition Agreements, the recommendation of the Independent Board Committee on the Acquisition Agreements, a letter of advice from the Independent Financial Adviser on the terms of the Acquisition Agreements, financial information of the Great China Group and GW Entertainment together with a notice to convene the EGM and other information as required under the Listing Rules.

II. ACQUISITION AGREEMENTS

1. GREAT CHINA AGREEMENT

Date

18 May 2010

Parties

(i) FPI (as vendor);

(ii) More Profit, a wholly owned subsidiary of the Company (as purchaser).

FPI is the legal and beneficial owner of 35% of the shareholding and equity interest in Great China. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Mr. Cheng and Mr. Yeung are the controlling shareholders of FPI holding an approximately 77.14% effective interest in FPI.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of FPI and its ultimate beneficial owners is a third party independent of the Company and its connected persons and is not a connected person of the Company.

FPI is an investment holding company and currently does not have any business other than its shareholding in Great China.

Assets to be acquired

(i) the Great China Sale Shares, being a quota with nominal value of MOP15,000.00 in the share capital of Great China, representing 15% of the entire issued share capital of and equity interest in Great China; and

(ii) the Great China Sale Loan, being 15% of all shareholders' loans due by Great China on completion of the Great China Agreement, which is interest free, unsecured and has no fixed repayment date. The principal amount of the Great China Sale Loan as at 31 March 2010 was approximately MOP80.38 million (equivalent to approximately HK$78.03 million).

Consideration

The aggregate consideration for the Great China Sale Shares and the Great China Sale Loan is equal to 15% of the net sum of HK$3,000 million less the outstanding amount due by Great China under the Facility Agreement as at the completion date of the Great China Agreement. Based on the audited financial statement of the Great China Group as at 31 March 2010 set out in Appendix II to this circular, the aggregate consideration for the Great China Sale Shares and the Great China Sale Loan shall be approximately HK$325.5 million.

The Great China Consideration shall be paid by More Profit to FPI as follows:

(i) HK$45 million has been paid upon signing of the Great China Agreement;

(ii) HK$100 million shall be paid on or before 31 July 2010; and

(iii) the balance shall be paid on completion.

If the Great China Agreement is terminated due to the default of FPI, the deposit paid shall be refunded by FPI to More Profit forthwith (without interest) and if the Great China Agreement is terminated due to the default of More Profit, HK$5 million of the deposit paid shall be forfeited by FPI and the balance of the deposit shall be refunded by FPI to More Profit forthwith (without interest), in each case without prejudice to any other claims and remedies the innocent party may have under the Great China Agreement.

The deposit of HK$45 million has been settled by internal resources of the Group. It is intended that the payment of the further deposit of HK$100 million on 31 July 2010 and the remaining balance of the consideration on completion will also be financed by internal resources of the Group.

The Great China Consideration has been arrived at after arm's length negotiations between More Profit and FPI with reference to various factors including (i) valuation of the Property of approximately HK$3,000 million as at 31 March 2010 by Savills (Macau) Limited, an independent valuer, on the comparison approach basis and the net book value of the Property of approximately HK$2,800 million as at 31 March 2010 in the unaudited accounts of Great China; (ii) the outstanding loan amount under the Facility of approximately HK$834.4 million as at 31 March 2010 in the unaudited accounts of Great China; and (iii) the unaudited net asset value of Great China of approximately HK$1,369 million as at 31 March 2010.

The valuation report on the net book value of the Property as at 31 May 2010 prepared by Savills Valuation and Professional Services Limited is set out in Appendix IV to this circular.

The total investment costs of FPI in Great China in relation to the Great China Sale Loan and the Great China Sale Shares were approximately MOP80.4 million (equivalent to approximately HK$78 million) as at 31 March 2010. The Directors (including the independent non-executive Directors) consider the Great China Consideration to be fair and reasonable.

Conditions of the Great China Agreement

Completion of the Great China Agreement is conditional upon fulfillment of, among other things, the following conditions:

(a) the warranties given by FPI in the Great China Agreement are true and accurate, and not misleading, in all material respects as at completion;

(b) FPI having delivered to More Profit a legal opinion (subject to the usual assumptions and qualifications but otherwise in such form and substance as is acceptable to More Profit) issued by a firm of lawyers practicing the laws of the British Virgin Islands and dated not earlier than 7 days before the completion date, confirming, inter alia, the good standing of FPI and its due execution of the Great China Agreement and the legality and enforceability thereof on FPI;

(c) all necessary approval or consent for the entry into and implementation of the Great China Agreement required under the Facility Agreement and Facility having been obtained without condition or if subject to condition, that the same be acceptable to More Profit and having been complied with;

(d) release by Guangdong Development Bank. Co., Ltd., the security agent under the Facility Agreement, of the Great China Sale Shares from the share pledge executed pursuant to the Facility Agreement having been obtained without condition or if subject to condition, that the same be acceptable to More Profit and having been complied with;

(e) no Material Adverse Change relating to the Great China Group having occurred;

(f) any third party consent which may be required to be obtained by FPI in relation to the Great China Agreement and the transactions contemplated thereunder having been obtained;

(g) the GW Entertainment Agreement becoming unconditional (other than any condition requiring the Great China Agreement to become unconditional);

(h) approval by the Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules or applicable laws, rules and regulations) of the Great China Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules; and

(i) all other relevant requirements under the Listing Rules and all necessary approvals and processes of the relevant authorities for the entry into and implementation of the Great China Agreement and the transactions contemplated thereunder have been fulfilled, obtained and/or complied with by More Profit and/or the Company and/or Great China.

More Profit may at its absolute discretion at any time waive any of the conditions (other than conditions (c), (d), (f), (h) and (i) above) by notice in writing to FPI. Conditions (c), (d), (f), (h) and (i) cannot be waived.

If any of the conditions of the Great China Agreement is not fulfilled or waived (as the case may be) on or before 30 September 2010 or such later date as the parties may agree and/or conditions (a) and (e) do not remain fulfilled (and are not waived by More Profit) on completion, the rights and obligations of the parties under the Great China Agreement shall lapse and be of no further effect except for antecedent breach and the deposit paid by More Profit to FPI shall be returned to More Profit forthwith without interest.

In connection with the fulfillment of condition (c), the Company has made informal enquiry with Industrial and Commercial Bank of China (Asia) Limited and it is anticipated that More Profit will be required to increase its corporate guarantee on the liabilities of Great China under the Facility Agreement to its percentage shareholding in Great China.

As at the Latest Practicable Date, none of the conditions (b), (c), (d), (f), (g), (h) and (i) have been fulfilled.

Completion

Completion shall take place simultaneously with the GW Entertainment Agreement (unless waived by More Profit) such that a breach by Wise Gain under the GW Entertainment Agreement shall be deemed a breach of the Great China Agreement by FPI.

New Great China Shareholders' Agreement

Upon completion of the Great China Agreement, Great China will be held as to 65% by More Profit, 20% by FPI and 15% by Ace Win and it is a term of the Great China Agreement that More Profit, FPI and Ace Win shall on completion enter into the New Great China Shareholders' Agreement.

The principal terms of the New Great China Shareholders' Agreement are substantially the same as the GC Shareholders' Agreement (2009) as disclosed in the circular of the Company dated 30 April 2009, the only major difference being that instead of having the right to nominate and appoint 2 directors to the board of Great China, FPI will only have the right to nominate and appoint 1 director but More Profit will have the right to nominate and appoint 4 directors instead of 3. The maximum number of directors of Great China remains at 6 and Ace Win has the right to appoint 1 director to the board of Great China both under the New Great China Shareholders' Agreement and the GC Shareholders' Agreement (2009).

INFORMATION ON GREAT CHINA

The entire issued share capital of Great China is presently owned as to 50% by More Profit, 35% by FPI and 15% by Ace Win. Great China is the owner of the Property. It also has two major subsidiaries, namely Grand Waldo and Carnival. Grand Waldo holds the licence for operating the Hotel while Carnival holds a spa and beauty licence for operating the spa within the Hotel.

As announced by the Company in its announcement dated 28 July 2009, Great China set up Grand Waldo Outlets Company Limited for the purpose of redeveloping the casino block at the Hotel into a retail outlet mall. As at the Latest Practicable Date, as the casino block was under renovation as mentioned below, Grand Waldo Outlets Company Limited has not yet commenced business.

The Hotel, located in the heart of Taipa, Macau, has a site area of 36,640 square meters and 314 guest rooms. The Hotel is a five-star hotel complex comprising four portions namely, the hotel block of 12 floors (with the Casino on 1/F), the "multi-purpose" block of 5 floors (previously named as "casino block" where the Casino was previously located), the leisure block of 7 floors for spa operation and the car park block of 7 floors. The "multi-purpose" block is currently under redevelopment into a multi-entertainment block with a wide variety of stores, including but not limited to outlet retail shops, games centre and various kinds of restaurants.

Upon completion of the Great China Agreement, Great China will become an indirect non-wholly owned subsidiary of the Company and its results will be consolidated into the accounts of the Group.

The table below sets out the audited financial information of the Great China Group, based on the audited accounts of the Great China Group set out in Appendix II to this circular:

	(HK$'000) **(Converted from MOP at the rate of HK$1 = MOP1.03)**
Loss before tax	
– year ended 31 December 2008	228,980
– 15-month period ended 31 March 2010	144,014
Loss after tax	
– year ended 31 December 2008	183,380
– 15-month period ended 31 March 2010	129,402
Net asset value	
– as at 31 December 2008	1,449,808
– as at 31 March 2010	1,320,416

RECONCILIATION STATEMENT OF THE VALUE OF THE PROPERTY

The following shows reconciliation of the value of the Property as disclosed in section 2 "The Great China Group" of Appendix IV to this circular to the carrying value of the Property as stated in "Financial information of the Great China Group" in Appendix II to this circular.

	HK$'000	*MOP'000*
Carrying value of investment properties as at 31 March 2010	2,145,800	2,210,174
Carrying value of a portion of the Property being reclassified to property, plant and equipment as at 31 March 2010	532,904	548,891
Carrying value of a portion of the Property being reclassified to prepaid lease payments as at 31 March 2010	146,050	150,431
Unrecognised fair value change in respect of a portion of the Property being classified to property, plant and equipment and prepaid lease payment	175,246	180,504
Valuation of the Property as at 31 May 2010 as set out in Appendix IV	3,000,000	3,090,000

Note: HK$1 = MOP1.03

2. GW ENTERTAINMENT AGREEMENT

Date

18 May 2010

Parties

(i) Wise Gain (as vendor);

(ii) Clever Switch, a wholly owned subsidiary of the Company (as purchaser).

GW Entertainment is currently held as to 50% by Clever Switch and 50% by Wise Gain. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Wise Gain is held as to 30% by Ace Wisdom, a company wholly owned by Mr. Cheung, and the balance 70% ultimately beneficially owned by Mr. Cheng and Mr. Yeung. Each of Mr. Cheng and Mr. Yeung is a third party independent of the Company and its connected persons and is not a connected person of the Company. Mr. Cheung had been a director of More Profit within the preceding 12 months and is therefore a connected person of the Company.

Wise Gain currently does not have any business other than its shareholding in GW Entertainment.

Assets to be acquired

(i) the GWE Sale Shares, being a quota with nominal value of MOP150,000.00 in the share capital of GW Entertainment, representing 15% of the entire issued share capital of and equity interest in GW Entertainment; and

(ii) the GWE Sale Loan, being 15% of all shareholders' loans due by GW Entertainment on completion of the GW Entertainment Agreement. The amount of the GWE Sale Loan as at 31 March 2010 was approximately MOP77.55 million (equivalent to approximately HK$75.29 million).

Consideration

The consideration for the GWE Sale Shares is HK$1 and the consideration for the GWE Sale Loan is HK$1, which shall be satisfied by Clever Switch to Wise Gain in cash upon completion. There will not be any adjustment to the consideration for the GWE Sale Loan arising from any change in the amount of the GWE Sale Loan.

The consideration has been arrived at after arm's length negotiation between Wise Gain and Clever Switch with reference to various factors including the unaudited net liabilities of GW Entertainment of approximately MOP169.9 million (equivalent to approximately HK$165 million) as at 31 March 2010 and the unaudited net loss before and after taxation of GW Entertainment of approximately MOP79.2 million (equivalent to approximately HK$76.9 million) for the year ended 31 March 2010, as well as the fact that GW Entertainment showed improvement in results since the Group acquired 50% equity interest in GW Entertainment in July 2009.

The total investment costs of Wise Gain in GW Entertainment in relation to the GWE Sale Loan and the GWE Sale Shares were approximately MOP77.7 million (equivalent to approximately HK$75.4 million) as at 31 March 2010. The Directors (including the independent non-executive Directors) consider the GWE Consideration to be fair and reasonable.

Conditions of the GW Entertainment Agreement

Completion of the GW Entertainment Agreement is conditional upon fulfillment of, among other things, the following conditions:

(a) all the warranties given by Wise Gain in the GW Entertainment Agreement are true and accurate, and not misleading, in all material respects as at completion;

(b) Wise Gain having delivered to Clever Switch a legal opinion (subject to the usual assumptions and qualifications but otherwise in such form and substance as is acceptable to Clever Switch) issued by a firm of lawyers practicing the laws of the British Virgin Islands and dated not earlier than 7 days before the completion date, confirming, inter alia, the good standing of Wise Gain and its due execution of the GW Entertainment Agreement and the legality and enforceability thereof on Wise Gain;

(c) approval by the Independent Shareholders of the GW Entertainment Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules;

(d) all other relevant requirements under the Listing Rules and all necessary approvals and processes of the relevant authorities for the entry into and implementation of the GW Entertainment Agreement and the transactions contemplated thereunder have been fulfilled, obtained and/or complied with by Clever Switch and/or the Company and/or GW Entertainment;

(e) no Material Adverse Change relating to GW Entertainment having occurred;

(f) any third party consent which may be required to be obtained in relation to the GW Entertainment Agreement and the transactions contemplated thereunder having been obtained;

(g) the Great China Agreement becoming unconditional (other than any condition requiring the GW Entertainment Agreement to become unconditional);

(h) there being no breach of any terms, conditions, agreements, representations, warranties or undertakings under the Great China Agreement by FPI in any material respect; and

(i) Ace Wisdom consenting to the Reorganization.

Clever Switch may at its absolute discretion at any time waive any of the conditions (other than conditions (c), (d) and (f) above) by notice in writing to Wise Gain. Conditions (c), (d), and (f) cannot be waived.

If any of the conditions of the GW Entertainment Agreement is not fulfilled or waived (as the case may be) on or before 30 September 2010 or such later date as the parties may agree and/or conditions (a), (e) and (h) do not remain fulfilled (and are not waived by Clever Switch) on completion, the rights and obligations of the parties under the GW Entertainment Agreement shall lapse and be of no further effect except for antecedent breach.

As at the Latest Practicable Date, none of the conditions (b), (c), (d), (f), (g) and (i) have been fulfilled.

Completion

Completion shall take place simultaneously with the Great China Agreement (unless waived by Clever Switch) such that a breach by FPI under the Great China Agreement shall be deemed a breach of the GW Entertainment Agreement by Wise Gain.

New GWE Shareholders' Agreement

Upon completion of the GW Entertainment Agreement and the Reorganization, GW Entertainment will be held as to 65% by Clever Switch, 20% by Wise Gain and 15% by Ace Wisdom and it is a term of the GW Entertainment Agreement that Clever Switch, Wise Gain and Ace Wisdom shall on completion enter into the New GWE Shareholders' Agreement.

The principal terms of the New GWE Shareholders' Agreement are substantially the same as the GWE Shareholders' Agreement (2009) as disclosed in the circular of the Company dated 30 April 2009, the only major difference being that Clever Switch will have the right to nominate and appoint 2 additional directors, the number of directors nominated and appointed by Wise Gain will be reduced to 1 and Ace Wisdom will have the right to nominate and appoint 1 director. The maximum number of directors of GW Entertainment remains at 6.

INFORMATION ON GW ENTERTAINMENT

The entire issued share capital of GW Entertainment is presently owned as to 50% by Clever Switch and 50% by Wise Gain.

The only business of GW Entertainment is the implementation of the Business Agreement, pursuant to which Galaxy shall be responsible for the operation and management of the Casino and GW Entertainment shall be responsible for marketing and administration of business promotion of the Casino. GW Entertainment is also responsible to cover any cash deficit in case of a net operating loss, and is entitled to receive the balance of the gross revenue of the Casino after deducting a fee for Galaxy to operate the Casino and payment of all operating costs of the Casino.

Having duly considered the relevant laws of Hong Kong, including the Gambling Ordinance (Cap. 148), the Company's legal advisers are of the view that upon completion of the GW Entertainment Agreement, the Company will not become involved directly or indirectly in any gambling activities under the Gambling Ordinance. The Business Agreement does not provide for GW Entertainment carrying out, and to the best of the Directors' knowledge, information and belief after making all reasonable enquiries, GW Entertainment does not carry out, any gaming, betting or bookmaking activities.

The Company confirms that in the event that it will become involved directly or indirectly in gambling activities, it will observe the requirements as set out in paragraphs B.1 and B.2 of the guidelines issued by the Stock Exchange in relation to "Gambling activities undertaken by listing applicants and/or listed issuers" dated 11 March 2003 and paragraphs 30 and 31 of The Listing Committee Annual Report 2006.

Further, the Macau legal advisers of the Company which is an independent third party, having considered the Business Agreement and the applicable laws, rules and regulations, have opined that the activities carried out by GW Entertainment and the arrangements under the Business Agreement all comply with the applicable laws in Macau.

Upon completion of the GW Entertainment Agreement, GW Entertainment will become an indirect non-wholly owned subsidiary of the Company and its results will be consolidated into the accounts of the Group.

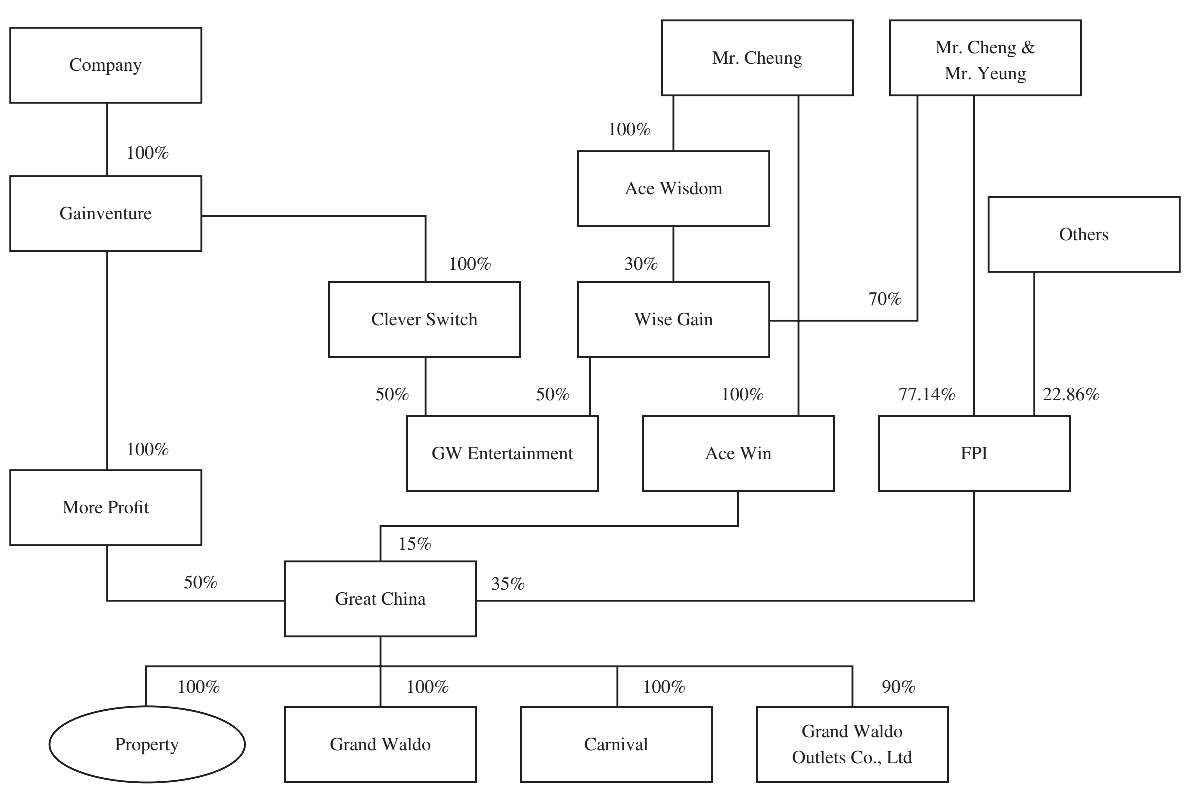
The table below sets out the audited financial information of GW Entertainment, based on the audited accounts of GW Entertainment as out in Appendix III to this circular:

	(HK$'000) **(Converted from MOP at the rate of HK$1 = MOP1.03)**
Loss before tax	
– year ended 31 December 2008	94,818
– 15-month period ended 31 March 2010	159,647
Loss after tax	
– year ended 31 December 2008	94,818
– 15-month period ended 31 March 2010	159,647
Net liabilities	
– as at 31 December 2008	90,233
– as at 31 March 2010	249,880

GROUP STRUCTURE

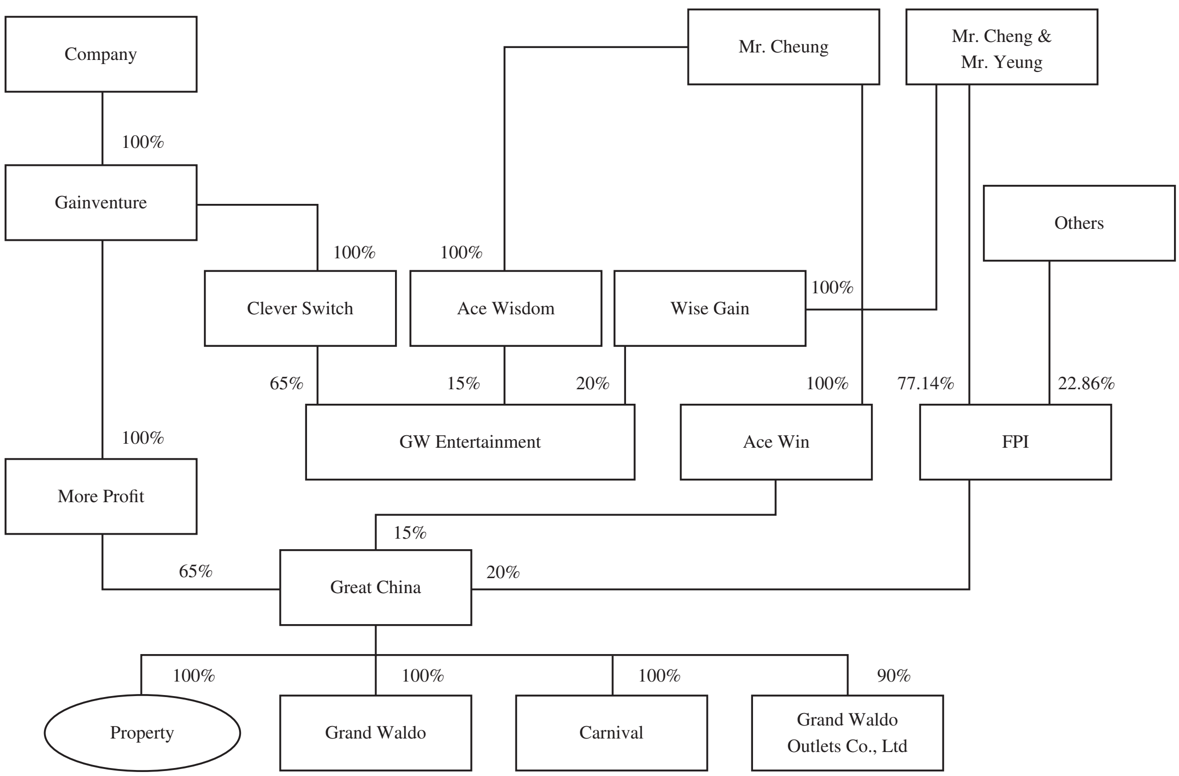
Before

Set out below is a chart showing the shareholding of GW Entertainment and Great China as at the Latest Practicable Date:



After

Set out below is a chart showing the shareholding of GW Entertainment and Great China immediately after completion of the Acquisition Agreements:



III. REASONS FOR THE GREAT CHINA AGREEMENT AND THE GW ENTERTAINMENT AGREEMENT

The Group is mainly engaged in the provision of a wide range of financial services including brokerage services for securities, futures and options, margin financing, advisory service in corporate finance and money lending, as well as investments in Hong Kong, Macau and Taiwan.

The Group acquired an additional 5% effective interest in Great China and 50% equity interest in GW Entertainment in July 2009, details of which are set out in the circular of the Company dated 30 April 2009. In light of the pick up in tourism in Macau, the Directors believe that it will in turn has a positive effect on the gaming and hotel industry in Macau and its economy in the long term.

The Board is therefore of the view that the acquisition of additional interests in GW Entertainment under the GW Entertainment Agreement and in Great China under the Great China Agreement (if materialised) will enable the Group to capture the potential benefits of the rapid growth in Macau tourism industry, including through the operation of the Hotel and various entertainment businesses in the Hotel. It also allows the Group to consolidate control of the Great China Group and GW Entertainment. The increase in effective interest in Great China will also enable the Group to capture further capital gain on the Property.

The Directors (including the independent non-executive Directors after having taken into consideration the advice of the Independent Financial Adviser) consider that the terms of the Acquisition Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As none of the Directors have any material interest in the Acquisition Agreements, no Directors have abstained from voting on the relevant Board resolutions approving the Acquisition Agreements.

IV. FINANCIAL EFFECTS OF THE ACQUISITION AGREEMENTS

Upon completion of the Acquisition Agreements, Great China Group and GW Entertainment will become indirect non-wholly owned subsidiaries of the Company. The entire results, assets and liabilities of both the Great China Group and GW Entertainment will be consolidated into the accounts of the Group after deducting the share of results and net assets/liabilities by the 35% minority interests.

Based on the unaudited pro forma financial information of the Enlarged Group set out in Appendix V to this circular, the financial effects of the Acquisition Agreements are summarised below:

Assets and liabilities effect

Assets

Upon completion of the Acquisition Agreements and based on the information set out in Appendix V to this circular, the Group's total assets will increase by approximately HK$1,887 million, mainly attributable to the investment property and property and equipment in the books of Great China, offsetting by the decrease in investment in jointly controlled entities and payment for the Great China Consideration.

Liabilities

Upon completion of the Acquisition Agreements and based on the information set out in Appendix V to this circular, the Group's total liabilities will increase by approximately HK$1,308 million, mainly due to the mortgage loan in the books of Great China and increase in amount due to minority shareholders.

Gearing ratio

Based on the Group's audited financial statements for the year ended 31 March 2010 and the information set out in Appendix V to this circular, the gearing ratio will increase from 0.09 times (total liabilities over total assets) to 0.29 times immediately after completion of the Acquisition Agreements.

Income statement effect

Earnings

Based on the information set out in Appendix V to this circular, the Group's earnings attributable to owners of the Company will decrease by approximately HK$65 million as a result of taking up the losses incurred by the Great China Group and GW Entertainment, offsetting by the gain on derecognition of interest in jointly controlled entities (50% of Great China Group).

V. LISTING RULES IMPLICATIONS

Mr. Cheung, by virtue of him being a director of More Profit within the preceding 12 months, is a connected person of the Company. Since Wise Gain is an associate of Mr. Cheung, and the GW Entertainment Agreement and the Great China Agreement are inter-conditional, the GW Entertainment Agreement and the Great China Agreement are therefore connected transactions for the Company under Chapter 14A of the Listing Rules which is subject to the approval of the Independent Shareholders.

Furthermore, since Mr. Cheng and Mr. Yeung are controlling shareholders of both Wise Gain and FPI, which are counterparties to the GW Entertainment Agreement and the Great China Agreement respectively and are parties associated with each other, the GW Entertainment Agreement and the Great China Agreement are aggregated pursuant to Rule 14.23(1) of the Listing Rules. On such aggregated basis, the applicable percentage ratios exceed 100% and thus the GW Entertainment Agreement and the Great China Agreement also constitute a very substantial acquisition of the Company pursuant to Rule 14.08 of the Listing Rules and are subject to the approval of the Shareholders.

VI. EGM

The notice convening the EGM to be held at 10/F., Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong on Thursday, 26 August 2010 at 11:00 a.m (or immediately after the closing of the annual general meeting to be held on 26 August 2010, referring to the notice of the annual general meeting dated 27 July 2010), at which ordinary resolutions will be proposed to approve the Great China Agreement and the GW Entertainment Agreement and the respective transactions contemplated thereunder is set out on pages 165 to 167 of this circular.

Mr. Cheung and his respective associates shall abstain from voting on the resolutions to approve the Acquisition Agreements. Save as aforesaid, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, neither Mr. Cheung nor any of his respective associates has any shareholding interest in the Company and there are no Shareholders who have material interest in the Acquisition Agreements and shall abstain from voting on the resolutions to approve the Acquisition Agreements.

A form of proxy for use at the EGM is enclosed herewith. Whether or not you propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Tricor Secretaries Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

VII. RECOMMENDATION

The Directors consider that the Acquisition Agreements are fair and reasonable and in the interests of the Shareholders as a whole. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the terms of the Acquisition Agreements are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Therefore, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions in respect of the Acquisition Agreements to be proposed at the EGM.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 21 to 22 of this circular which contains its recommendation to the Independent Shareholders in relation to the Acquisition Agreements. Your attention is also drawn to the letter of advice from the Independent Financial Adviser set out on pages 23 to 35 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition Agreements and the principal factors and reasons taken into account in arriving at its recommendation. You are advised to read the said letters from the Independent Board Committee and the Independent Financial Adviser before deciding how to vote at the EGM.

VIII. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Get Nice Holdings Limited
Mr. Hung Hon Man
Chairman

GET NICE HOLDINGS LIMITED
結好控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

31 July 2010

To the Independent Shareholders

Dear Sirs,

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTIONS RELATING TO ACQUISITION OF AN ADDITIONAL 15% INTEREST IN GREAT CHINA COMPANY LIMITED AND GRAND WALDO ENTERTAINMENT LIMITED

We refer to the circular of the Company dated 31 July 2010 (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you as to whether, in our opinion, the terms of the Acquisition Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Veda Capital has been appointed as the independent financial adviser to advise us and you regarding the terms of the Acquisition Agreements and the transactions contemplated thereunder. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving its advice, are set out in its letter on pages 23 to 35 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 6 to 20 of the Circular and the additional information set out in the appendices to the Circular.

Having considered the terms of the Acquisition Agreements and the advice of the Independent Financial Adviser and the other principal factors contained in the letter from the Board, we are of the opinion that the terms of the Acquisition Agreements and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore recommend that the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Acquisition Agreements and the transactions contemplated thereunder.

Yours faithfully,
The Independent Board Committee

Mr. Liu Chun Ning, Wilfred	**Mr. Man Kong Yui**	**Mr. Kwong Chi Kit, Victor**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

The following is the full text of a letter of advice from Veda Capital to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition Agreements prepared for the purpose of inclusion in this circular.

VEDA | CAPITAL
智 略 資 本

Veda Capital Limited
Suite 3214, 32/F., COSCO Tower
183 Queen's Road Central, Hong Kong

31 July 2010

To the Independent Board Committee and the Independent Shareholders of
Get Nice Holdings Limited

Dear Sirs,

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTIONS RELATING TO ACQUISITION OF AN ADDITIONAL 15% INTEREST IN GREAT CHINA COMPANY LIMITED AND GRAND WALDO ENTERTAINMENT LIMITED

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the fairness and the reasonableness of the terms of the Acquisition Agreements, details of which are set out in the circular to the Shareholders dated 31 July 2010 (the "**Circular**"), of which this letter forms part. Terms used in this letter have the same meanings as defined in the Circular unless the context requires otherwise.

On 30 May 2010, the Board announced that on 18 May 2010, (i) More Profit, a wholly owned subsidiary of the Company entered into the Great China Agreement with FPI for the acquisition from FPI of a 15% shareholding in Great China at the total consideration of approximately HK$324 million, subject to adjustment; and (ii) Clever Switch, a wholly owned subsidiary of the Company, entered into the GW Entertainment Agreement with Wise Gain for the acquisition from Wise Gain of a 15% shareholding in GW Entertainment for a total consideration of HK$2.

As set out in the Letter from the Board (the "**Board Letter**"), Mr. Cheung, by virtue of him being a director of More Profit within the preceding 12 months, is a connected person of the Company. Since Wise Gain is an associate of Mr. Cheung, and the GW Entertainment Agreement and the Great China Agreement are inter-conditional, the GW Entertainment Agreement and the Great China Agreement are therefore connected transactions for the Company under Chapter 14A of the Listing Rules which is subject to the approval of the Independent Shareholders.

Furthermore, since Mr. Cheng and Mr. Yeung are controlling shareholders of both Wise Gain and FPI, which are counterparties to the GW Entertainment Agreement and the Great China Agreement respectively and are parties associated with each other, the GW Entertainment Agreement and the Great China Agreement are aggregated pursuant to Rule 14.23(1) of the Listing Rules. On such aggregated basis, the applicable percentage ratios exceed 100% and thus the GW Entertainment Agreement and the Great China Agreement also constitute a very substantial acquisition of the Company pursuant to Rule 14.08 of the Listing Rules and are subject to the approval of the Shareholders.

The Independent Board Committee, comprising Mr. Liu Chun Ning, Wilfred, Mr. Man Kong Yui and Mr. Kwong Chi Kit Victor, has been established to advise the Independent Shareholders as to (i) whether the terms of the Acquisition Agreements are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the terms of the Acquisition Agreements are in the interests of the Company and the Independent Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the relevant resolutions to approve the Acquisition Agreements at the EGM. The appointment of Veda Capital has been approved by the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in the Circular and information provided to us by the Company, the Director(s) and the management. We have assumed that all statements, information and representations made or referred to in the Circular and all information and representations which have been provided by the Company, the Director(s) and the management, for which they are solely and wholly responsible, were true at the time they were made and continue to be true as at the date of the EGM. We have also assumed that all statements of belief, opinion and intention made by the Director(s) in the Circular were reasonably made after due and careful enquiry and were based on honestly-held opinions.

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Director(s) and have been confirmed by the Director(s) that no material facts and representations the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Director(s) and management of the Company. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our recommendation regarding the Acquisition Agreements.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the fairness and reasonableness of the terms of the Acquisition Agreements, we have taken into consideration the following factors and reasons:

A. BACKGROUND AND FINANCIAL INFORMATION OF THE GROUP

The Group is mainly engaged in the provision of a wide range of financial services including brokerage services for securities, futures and options, margin financing, advisory service in corporate finance and money lending, as well as investments in Hong Kong, Macau and Taiwan.

According to the Group's 2009 annual report (the "**AR 2009**"), the turnover of the Group was approximately HK$246.61 million for the year ended 31 March 2009, which represented a decrease of approximately 61.75% as compared to the turnover for the year ended 31 March 2008 of approximately HK$644.66 million. As advised by the Company, the decrease in turnover was mainly attributable to (i) the significant downturn of equity market as a result of the global financial crisis in the second half of 2008; and (ii) there was no revenues recorded for sale of properties in the year 2009 whilst the proceeds from sales of property amounted to HK$205 million for the year 2008.

The Group recorded profit attributable to Shareholders of approximately HK$448.30 million for the year ended 31 March 2008 and recorded loss attributable to Shareholders of approximately HK$19.08 million for the year ended 31 March 2009. As set out in the AR 2009, such loss was mainly attributable to (i) share of loss of approximately HK$193 million of a jointly controlled entity, resulting from decrease in fair value of its investment property; and (ii) significant decrease in the Group's revenue and related profit in respect of property development in the relevant financial year.

According to the Group's 2010 annual report (the "**AR 2010**"), the turnover of the Group was approximately HK$271.72 million for the year ended 31 March 2010, which represented an increase of approximately 10.18% as compared to the turnover for the year ended 31 March 2009 of approximately HK$246.61 million. As advised by the Company, the increase in turnover was mainly attributable to the improvement on economy after the financial tsunami and the positive investment climate during the financial year 2010.

The Group recorded loss attributable to Shareholders of approximately HK$19.08 million for the year ended 31 March 2009 and recorded profit attributable to Shareholders of approximately HK$224.21 million for the year ended 31 March 2010. As advised by the Company, the turnaround in financial results was mainly attributable to the share of loss of approximately HK$193 million of jointly controlled entities in the financial year of 2009 and the share of profit of approximately HK$35 million of jointly controlled entities in the financial year of 2010 and by disregarding such share of loss and profit of jointly controlled entities, the Company would record operating profits of approximately HK$153 million and approximately HK$189 million for the years ended 31 March 2009 and 2010 respectively.

B. INFORMATION OF GREAT CHINA AND GW ENTERTAINMENT

1. Information on Great China

As set out in the Board Letter, the entire issued share capital of Great China is presently owned as to 50% by More Profit, 35% by FPI and 15% by Ace Win. Great China is the owner of the Property. It also has two major subsidiaries, namely Grand Waldo and Carnival. Grand Waldo holds the licence for operating the Hotel while Carnival holds a spa and beauty licence for operating the spa within the Hotel.

As announced by the Company in its announcement dated 28 July 2009, Great China set up Grand Waldo Outlets Company Limited for the purpose of redeveloping the casino block at the Hotel into a retail outlet mall. As at the Latest Practicable Date, as the casino block was under renovation as mentioned below, Grand Waldo Outlets Company Limited has not yet commenced business.

The Hotel, located in the heart of Taipa, Macau, has a site area of 36,640 square meters and 314 guest rooms. The Hotel is a five-star hotel complex comprising four portions namely, the hotel block of 12 floors (with the Casino on 1/F), the "multi-purpose" block of 5 floors (previously named as "casino block" where the Casino was previously located) (the "**Multi-purpose Block**"), the leisure block of 7 floors for spa operation and the car park block of 7 floors. The Multi-purpose Block is currently under redevelopment into a multi-entertainment block with a wide variety of stores, including but not limited to outlet retail shops, games centre and various kinds of restaurants.

Upon completion of the Great China Agreement, Great China will become an indirect non-wholly owned subsidiary of the Company and its results will be consolidated into the accounts of the Group.

As set out in Appendix II to the Circular, Great China recorded loss before and after tax of approximately MOP235.85 million and approximately MOP188.88 million respectively for the year ended 31 December 2008 and loss before and after tax of approximately MOP148.34 million and approximately MOP133.28 million respectively for the period from 1 January 2009 to 31 March 2010. Details of the audited financial figures of Great China Group has been set out in Appendix II to the Circular. However, Shareholders should note from Appendix II, the auditors although without qualifying its opinion, had expressed a material uncertainty opinion concerning the going concern basis of Great China Group because, along with other matters as disclosed in the accountants' report, Great China Group had incurred a loss attributable to equity shareholders of Great China Group of approximately MOP133.27 million for the period from 1 January 2009 to 31 March 2010 and net current liabilities of approximately MOP186.72 million as at 31 March 2010 respectively.

Given (i) the financial figures for the period from 1 January 2009 to 31 March 2010 is on 15-month basis whilst the financial figures for the year ended 31 December 2008 is on 12-month basis; and (ii) as set out in the section headed "2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GREAT CHINA GROUP" in Appendix II to the Circular, there was a significant change in revenue mix of the Great China Group during the period from 1 January 2009 to 31 March 2010 as a result of the termination of minimum rental income guarantee of HK$200 million per annum and the acquisition of Grand Waldo and Carnival in late July 2009, we consider it may not be relevant to make direct comparison on the financial figures for the year ended 31 December 2008 and for the period from 1 January 2009 to 31 March 2010.

2. Information on GW Entertainment

As set out in the Board Letter, the entire issued share capital of GW Entertainment is presently owned as to 50% by Clever Switch and 50% by Wise Gain.

The only business of GW Entertainment is the implementation of the Business Agreement, pursuant to which Galaxy shall be responsible for the operation and management of the Casino and GW Entertainment shall be responsible for marketing and administration of business promotion of the Casino. GW Entertainment is also responsible to cover any cash deficit in case of a net operating loss, and is entitled to receive the balance of the gross revenue of the Casino after deducting a fee for Galaxy to operate the Casino and payment of all operating costs of the Casino.

Upon completion of the GW Entertainment Agreement, GW Entertainment will become an indirect non-wholly owned subsidiary of the Company and its results will be consolidated into the accounts of the Group.

As set out in Appendix III to the Circular, GW Entertainment recorded loss before and after tax of approximately MOP97.66 million for the year ended 31 December 2008 and loss before and after tax of approximately MOP164.44 million for the period from 1 January 2009 to 31 March 2010. Details of the audited financial figures of GW Entertainment has been set out in Appendix III to the Circular. However, Shareholders should note from Appendix III, the auditors although without qualifying its opinion, had expressed a material uncertainty opinion concerning the going concern basis of GW Entertainment because, along with other matters as disclosed in the accountants' report, GW Entertainment had incurred a loss attributable to equity shareholders of GW Entertainment of approximately MOP164.44 million and approximately MOP97.66 million for the period from 1 January 2009 to 31 March 2010 and for the year ended 31 December 2008 respectively.

Given the financial figures for the period from 1 January 2009 to 31 March 2010 is on 15-month basis whilst the financial figures for the year ended 31 December 2008 is on 12-month basis, we consider it may not be relevant to make direct comparison on the financial figures for the year ended 31 December 2008 and for the period from 1 January 2009 to 31 March 2010.

C. REASONS FOR THE ACQUISITION AGREEMENTS

The Group acquired an additional 5% effective interest in Great China and 50% equity interest in GW Entertainment in July 2009 (the "**Previous Acquisition**"), details of which are set out in the circular of the Company dated 30 April 2009. In light of the pick up in tourism in Macau, the Directors believe that it will in turn has a positive effect on the gaming and hotel industry in Macau and its economy in the long term.

The Board is therefore of the view that the acquisition of additional interests in GW Entertainment under the GW Entertainment Agreement and in Great China under the Great China Agreement (if materialised) will enable the Group to capture the potential benefits of the rapid growth in Macau tourism industry, including through the operation of the Hotel and various entertainment businesses in the Hotel. It also allows the Group to consolidate control of the Great China Group and GW Entertainment. The increase in effective interest in Great China will also enable the Group to capture further capital gain on the Property.

The Directors consider that the terms of the Acquisition Agreements are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As advised by the Company, upon completion of the Previous Acquisition, the Company has participated in the operation of the Great China Group and GW Entertainment. Since the Previous Acquisition, the management of the Great China Group and GW Entertainment have implemented costs cutting strategies and has restructured its operation to position the Hotel and Casino to target on "mass market" customers in order to enjoy the benefits brought by the pick up in tourism in Macau instead of focusing only on loyal customers of the VIP rooms in the Casino as implemented by the management of GW Entertainment before the Previous Acquisition.

As we noted from the section headed "5. FINANCIAL AND TRADING PROSPECTS" in Appendix I to the Circular, coping with the fast development in Cotai, Macau and in light of the pick up in tourism in Macau, which will in turn have a positive effect on the gaming and hotel industry in Macau and its economy in the long term, GW Entertainment has renovated the Casino in 2009 to attract more new visitors. In order to maintain its marketing position, the Great China Group has also planned to refurbish its facilities in the complex such as to renovate the spa and relax centre in its amenities building, which is over 330,391 square feet. The Group's objective is to establish a multi-function family style spa and relax centre in Cotai targeting for the mass market growth in the future. As advised by the Company, it is expected that the renovated multi-function family style spa and relax centre will open within the year of 2010. In addition to the above, we were further advised by the Company that the Multi-purpose Block is currently under redevelopment into a multi-entertainment block with a wide variety of stores, including but not limited to outlet retail shops, games centre and various kinds of restaurants, to provide synergies to the hotel and entertainment business operated by the Great China Group and GW Entertainment.

Also noted from the AR 2010, the Group will continue to pursue, on an active and prudent approach, strategic direct investment projects aiming to optimize its return to the Company and its shareholders and we were given to understand that the Company is optimistic and confident about the pick up in tourism in Macau would have a positive effect on the gaming and hotel industry in Macau and its economy in long term and considered the Acquisition Agreements would enhance the business scale of the Company's investment in Macau and therefore aligned with the business objectives of the Company.

As noted from The Outline of the Plan for the Reform and Development of the Pearl River Delta (2008-2020) (the "**National Plan**"), by The National Development and Reform Commission People's Republic of China in December 2008, the state will support the Pearl River Delta to conduct in-depth cooperation with Hong Kong and Macau in modern service industries, focusing on the development of finance, convention and exhibition service, logistics, information service, science and technology service, commercial service, service outsourcing industry, culture and creation industry, headquarter economy, and tourism, to comprehensively advance the development of the service industries. We also noted that The Pearl River Delta will make great efforts to push forward the construction of transportation infrastructure, form a coordinated and integrated transportation system with a complete and sound network, reasonable distribution, and operational efficiency and closely linked with Hong Kong, Macau, and the peripheral areas, and develop itself into the most open, convenient, efficient, and secure hub for both passenger and cargo flows in the Asian-Pacific region. With the support of the PRC government and the National Plan, we concur with the Directors that the prospect of the tourism industry and hence the gaming and hotel industry in Macau are optimistic.

We have observed from the website of the Statistics and Census Service Macao SAR Government (www.dsec.gov.mo) that visitors arrivals in package tours increased by approximately 20.3% year-on-year in April 2010 and increased by approximately 8.6% year-on-year in the first four months of 2010. Guests checked into hotels and guest-houses in April 2010 has increased by approximately 15.1% year-on-year and the cumulative number of guests checked into hotels and guest-houses in the first four months of 2010 has increased by approximately 15.0% year-on-year.

We have also noted from the Board Letter, pursuant to the Acquisition Agreements, on completion, relevant parties will enter into the New Great China Shareholders' Agreement and New GWE Shareholders' Agreement. Pursuant to the New Great China Shareholders' Agreement, instead of having the right to nominate and appoint 2 directors to the board of Great China, FPI will only have the right to nominate and appoint 1 director but More Profit will have the right to nominate and appoint 4 directors instead of 3. The maximum number of directors of Great China remains at 6 and Ace Win has the right to appoint 1 director to the board of Great China. Pursuant to the New GWE Shareholders' Agreement, Clever Switch will have the right to nominate and appoint 2 additional directors, the number of directors nominated and appointed by Wise Gain will be reduced to 1 and Ace Wisdom will have the right to nominate and appoint 1 director. The maximum number of directors of GW Entertainment remains at 6.

We are aware of the loss making position of the Great China Group and GW Entertainment for the period from 1 January 2009 to 31 March 2010, however, having considered (i) the Acquisition Agreements will provide opportunities to the Company to enhance its revenue; (ii) the restructuring of the operation and business strategy of Great China Group and GW Entertainment after the Previous Acquisition; (iii) the renovated multi-function family style spa and relax centre which may attract more tourists to the Hotel is expected to open within the year of 2010 and the redevelopment of the Multi-purpose Block; (iv) the optimistic prospect of the gaming and hotel industry in Macau as supported by the National Plan and the statistics of packages tours and hotel occupancy; (v) the Acquisition Agreements will allow the Group to consolidate control of Great China Group and GW Entertainment through the increase of equity interest and board members in both Great China Group and GW Entertainment; and (vi) the significant improvement of GW Entertainment in revenue and the significant reduction in loss-making in GW Entertainment since completion of the Previous Acquisition as mentioned under the section headed "E. THE GW ENTERTAINMENT AGREEMENT"; (vii) the Acquisition Agreements are aligned with the business strategy, we agree with the view of the Directors that the Acquisition Agreements are in the ordinary course of business of the Company and in the interests of the Company and the Independent Shareholders as a whole.

D. THE GREAT CHINA AGREEMENT

1. Consideration

The aggregate consideration for the Great China Sale Shares and the Great China Sale Loan is equal to 15% of the net sum of HK$3,000 million less the outstanding amount due by Great China under the Facility Agreement as at the completion date of the Great China Agreement. Based on the audited financial statement of the Great China Group as at 31 March 2010 set out in Appendix II to the Circular, the aggregate consideration for the Great China Sale Shares and the Great China Sale Loan shall be approximately HK$325.50 million.

As set out in the Board Letter, the total investment costs of FPI in Great China in relation to the Great China Sale Loan and the Great China Sale Shares were approximately MOP80.4 million (equivalent to approximately HK$78 million) as at 31 March 2010. The Directors consider the Great China Consideration to be fair and reasonable.

(a) Valuation

As set out in the Board Letter, the Great China Consideration has been arrived at after arm's length negotiations between More Profit and FPI with reference to various factors including (i) valuation of the Property of approximately HK$3,000 million as at 31 March 2010 by Savills (Macau) Limited, an independent valuer, on the comparison approach basis and the net book value of the Property of approximately HK$2,800 million as at 31 March 2010 in the unaudited accounts of Great China; (ii) the outstanding loan amount under the Facility of approximately HK$834.4 million as at 31 March 2010 in the unaudited accounts of Great China; and (iii) the unaudited net asset value of Great China of approximately HK$1,369 million as at 31 March 2010. The valuation report on the net book value of the Property of HK$3,000 million as at 31 May 2010 (the "**Valuation**") prepared by Savills Valuation and Professional Services Limited is set out in Appendix IV to the Circular.

We have reviewed the Valuation and enquired the valuer on the valuation methodology applied in the Valuation. We were advised by the valuer that the Valuation has been carried out under open market basis by comparison method and investment method of valuation and such valuation methods are common market approach for property valuation. Also stated in the valuation report as set out in Appendix IV to the Circular, the Valuation is the valuer's opinion of value of the Property on the basis of "Market Value" which was defined as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion". We also noted that the Valuation has been prepared in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors in 2005, the relevant provisions of the Companies Ordinance and the Listing Rules. In light of the above and pursuant to Rule 13.80(2) under the Listing Rules, there is no reason for us to believe any of the information in the valuation report in respect of the Valuation as set out in Appendix IV to the Circular is not true or omits a material fact, we are of the view that the Valuation has been reasonably prepared and are normal in nature without any unusual assumption and the basis of the Valuation is fair and reasonable. As such, we consider the Valuation is a fair reference for Independent Shareholders to assess the fairness and reasonableness of the Great China Consideration.

Independent Shareholders are advised to refer to the valuation report contained in Appendix IV to the Circular for details of the bases and assumptions of the Valuation.

(b) Industry Comparables

As set out in the Board Letter, based on the audited financial statement of the Great China Group as at 31 March 2010 set out in Appendix II to the Circular, the Great China Consideration would be approximately HK$325.50 million. Based on the net asset value of the Great China Group of approximately MOP1,360.03 million (equivalent to approximately HK$1,320.42 million under the exchange rate of HK$1 = MOP1.03) as at 31 March 2010, the 15% net asset value of the Great China Group after adjusted with the Great China Sale Loan (being 15% of all shareholders' loans due by Great China) as at 31 March 2010 of approximately MOP80.38 million (equivalent to approximately HK$78.03 million under the exchange rate of HK$1 = MOP1.03) amounted to approximately MOP284.38 million (equivalent to approximately HK$276.10 million under the exchange rate of HK$1 = MOP1.03) (the "**Adjusted NAV**"). Accordingly, the price to book ratio based on the Great China Consideration and the Adjusted NAV would be approximately 1.18 times (the "**PBR**").

In order to assess the fairness and reasonableness of the PBR of Great China Agreement, we have identified comparable companies (the "**Industry Comparables**") being listed companies on the Stock Exchange engaging in businesses similar to those of Great China including, but not limited to, hotel and gaming business. To the best of our knowledge, we have identified 6 Industry Comparables by searching through published information on the Stock Exchange's website. The PBRs are based on their respective closing prices as at 18 May 2010, being the date of the Great China Agreement, and their respective latest published annual/interim reports before the date of the Great China Agreement in the Stock Exchange's website. As the Industry Comparables are engaged in similar business of Great China and their respective PBRs are determined with reference to the date of the Great China Agreement, we consider the Industry Comparables are fair and representative samples. Independent Shareholders should note that the stated PBRs of the respective companies could be sensitive to, amongst other things, each of their particular businesses, financial position and market price performance of the shares of the respective companies and therefore, the PBRs of the Industry Comparables listed below are for information and reference purposes only.

Industry Comparables (Stock code)	**Principal business**	**PBR (times)**
Emperor Entertainment Hotel Ltd (296)	Operation in hotel and gaming; development of property	0.63
Galaxy Entertainment Group Ltd (27)	Operation in casino games of chance or games of other forms, provision of hospitality and related services, and the manufacture, sale and distribution of construction materials	1.61
Melco International Development (200)	Provision of catering, entertainment, gaming and related services, gaming technology consultation services in Macau, development and sale of financial trading and settlement systems in Asia, and property investments and other investments	0.58
NagaCorp Ltd. (3918)	Casino operations; hotel and entertainment operations	0.89 *(Note 1)*
Sands China Ltd. (1928)	Develop, own and operate of integrated resorts and casinos in Macau	2.99 *(Note 1)*
Wynn Macau, Ltd (1128)	Develop, own and operate of destination casino gaming and entertainment resort facilities in Macau	15.79 *(Note 2)*
Maximum		**2.99**
Minimum		**0.58**
Mean		**1.34**
Great China Group		**1.18**

Source: www.hkex.com.hk

Notes:

1. For calculation purposes, the net assets recorded in USD will be converted into HK$ under the exchange rate of HK$7.79 to USD$1.0.

2. Given the market capitalization of this Industry Comparable is significantly higher than its net assets as set out in its annual report for the year ended 31 December 2009 and hence, has a significantly higher PBR as compared to other Industry Comparables, this Industry Comparable has considered to be an outlier and excluded from our analyses.

As indicated in the above table, the PBR of Great China Agreement, being 1.18 times, falls below the mean and within the range of the PBRs of the Industry Comparables from approximately 0.58 times to approximately 2.99 times.

In light of the above and the aggregate consideration for the Great China Sale Shares and the Great China Sale Loan (including the outstanding amount due by Great China under the Facility Agreement) under 100% equity interest basis is equivalent to the Valuation of which we are of the opinion is a fair reference for the Independent Shareholders to assess the fairness and reasonableness of the Great China Consideration, we consider the Great China Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

2. Conditions

Completion of the Great China Agreement is conditional upon fulfillment of, among other things, the conditions as set out under the sub-section headed "Conditions of the Great China Agreement" under the section headed "1. GREAT CHINA AGREEMENT" in the Board Letter.

We noted that in connection with the fulfillment of the conditions under the Great China Agreement, the Company has made informal enquiry with Industrial and Commercial Bank of China (Asia) Limited and it is anticipated that More Profit will be required to increase its corporate guarantee on the liabilities of Great China under the Facility Agreement to its percentage shareholding in Great China.

We have reviewed the condition precedents under the Great China Agreement and considered such conditions are not unusual and are normal and commercial. In addition, in view that the corporate guarantee on the liabilities of Great China will be increased in proportion to the shareholding interest of More Profit in Great China, we consider such increase in corporate guarantee is fair and reasonable. In light of the above and given we are of the view that the Great China Consideration are fair and reasonable, we consider the terms in the Great China Agreement are normal and commercial.

E. THE GW ENTERTAINMENT AGREEMENT

1. Consideration

The consideration for the GWE Sale Shares is HK$1 and the consideration for the GWE Sale Loan is HK$1, which shall be satisfied by Clever Switch to Wise Gain in cash upon completion. There will not be any adjustment to the consideration for the GWE Sale Loan arising from any change in the amount of the GWE Sale Loan.

The consideration has been arrived at after arm's length negotiation between Wise Gain and Clever Switch with reference to various factors including the unaudited net liabilities of GW Entertainment of approximately MOP169.9 million (equivalent to approximately HK$165 million) as at 31 March 2010 and the unaudited net loss before and after taxation of GW Entertainment of approximately MOP79.2 million (equivalent to approximately HK$76.9 million) for the year ended 31 March 2010, as well as the fact that GW Entertainment showed improvement in results since the Group acquired 50% equity interest in GW Entertainment in July 2009.

As set out in the Board Letter, the total investment costs of Wise Gain in GW Entertainment in relation to the GWE Sale Loan and the GWE Sale Shares were approximately MOP77.7 million (equivalent to approximately HK$75.4 million) as at 31 March 2010. The Directors consider the GWE Consideration to be fair and reasonable.

We noted from the financial information of GW Entertainment as set out in Appendix III to the Circular, GW Entertainment recorded revenue of approximately MOP881.13 million for the period from 1 January 2009 to 31 March 2010 (the "**15-month Revenue**"). Although the 15-month Revenue is on 15-month basis, it represents approximately 3.22 times of the revenue of approximately MOP273.39 million for the year ended 31 December 2008. In the other words, the 15-month Revenue on 15-month basis is more than twice of the revenue for the year ended 31 December 2008 which is on 24-month basis. We are aware of the loss-making position of GW Entertainment and we were advised by the Company that the loss of GW Entertainment resulted for the period from 1 January 2009 to 31 March 2010 was mainly attributable to the poor market environment in the first half year of 2009 immediately after the financial crisis in late 2008 and the heavy operating and administrative expenses incurred before completion of the Previous Acquisition in July 2009 and the management of GW Entertainment have implemented costs cutting strategies to GW Entertainment since completion of the Previous Acquisition in July 2009. As advised by the Company, GW Entertainment recorded loss of approximately MOP35.71 million for the period from 1 August 2009 to 31 March 2010 (being the financial period after completion of the Previous Acquisition), representing a reduction of loss of approximately 71.58% as compared to the corresponding period in the previous year of approximately MOP125.63 million.

Having considered (i) the GWE Consideration is at nominal value; (ii) the optimistic prospect of the gaming and hotel industry in Macau as mentioned in the section headed "C. Reasons for the Acquisition Agreements"; (iii) the significant improvement of GW Entertainment in revenue and the significant reduction in loss-making in GW Entertainment since completion of the Previous Acquisition; and (iv) GW Entertainment Agreement is align with the Great China Agreement given the marketing and promotion business of Casino engaged by GW Entertainment is served to provide synergy to the hotel business engaged by Great China, we consider the GW Entertainment Agreement and the GWE Consideration are fair and reasonable and in the interest of the Company and the Independent Shareholders as whole.

2. Conditions

Completion of the GW Entertainment Agreement is conditional upon fulfillment of, the conditions as set out under the sub-section headed "Conditions of the GW Entertainment Agreement" under the section headed "2. GW ENTERTAINMENT AGREEMENT" in the Board Letter.

We have noted that GW Entertainment Agreement is conditional on the Great China Agreement becoming unconditional. Given that GW Entertainment is served to provide synergy to the hotel business engaged by Great China, we consider such condition is normal and commercial. We have reviewed the remaining condition precedents under the GW Entertainment Agreement and considered such conditions are not unusual and are normal and commercial.

In light of the above and given we are of the view that the GWE Consideration are fair and reasonable, we consider the terms in the GW Entertainment Agreement are normal and commercial.

F. FINANCIAL EFFECT OF THE ACQUISITION AGREEMENTS

(i) Net asset value

As reported in the AR 2010, the audited net asset value of the Group as at 31 March 2010 was approximately HK$3,401.50 million. Based on the unaudited pro forma financial information set out in Appendix V to the Circular, the Group's net assets will increase to approximately HK$3,980.58 million upon completion of the Acquisition Agreements.

(ii) Earnings

As set out in the Board Letter, upon completion of the Acquisition Agreements, Great China Group and GW Entertainment will become indirect non-wholly owned subsidiaries of the Company. The entire results, assets and liabilities of both Great China Group and GW Entertainment will be consolidated into the accounts of the Group after deducting the share of results and net assets/liabilities by the 35% minority interests. Accordingly, the Group's financial results would be negatively affected by the losses from Great China Group and GW Entertainment upon Completion.

However, in view of the optimistic prospect of the gaming and hotel industry in Macau as mentioned in the section headed "C. Reasons for the Acquisition Agreements", we consider that it is a fair expectation that the Acquisition Agreements will have a positive impact on the earnings position of the Group in long run.

RECOMMENDATION

Having considered the above-mentioned principal factors and reasons, in particular, taking into account that:

(i) the Acquisition Agreements will provide opportunities to the Company to enhance its revenue;

(ii) the restructuring of the operation and business strategy of Great China Group and GW Entertainment after the Previous Acquisition;

(iii) the renovated multi-function family style spa and relax centre which may attract more tourists to the Hotel is expected to open within the year of 2010 and the redevelopment of the Multi-purpose Block;

(iv) the optimistic prospect of the gaming and hotel industry in Macau as supported by the National Plan and the statistics of packages tours and hotel occupancy;

(v) the Acquisition Agreements will allow the Group to consolidate control of Great China Group and GW Entertainment through the increase of equity interest and board members in both Great China Group and GW Entertainment;

(vi) the Acquisition Agreements are aligned with the business strategy;

(vii) the aggregate consideration for the Great China Sale Shares and the Great China Sale Loan (including the outstanding amount due by Great China under the Facility Agreement) under 100% equity interest basis is equivalent to the Valuation;

(viii) the PBR of Great China Agreement falls below the mean and within the range of the PBRs of the Industry Comparables;

(ix) the GWE Consideration is at nominal value;

(x) the significant improvement of GW Entertainment in revenue and the significant reduction in loss-making in GW Entertainment since completion of the Previous Acquisition; and

(xi) GW Entertainment Agreement is align with the Great China Agreement given the marketing and promotion business of Casino engaged by GW Entertainment is served to provide synergy to the hotel business engaged by Great China,

we consider (i) the Acquisition Agreements are in the ordinary course of business of the Company; (ii) the terms of the Acquisition Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the Acquisition Agreements and the terms thereof are in the interests of the Company and the Independent Shareholders as a whole. We would therefore recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions to approve the Acquisition Agreements to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Veda Capital Limited

Hans Wong	**Julisa Fong**
Chairman	*Managing Director*

1. FINANCIAL SUMMARY

Set out below is a summary of the audited consolidated results of the Group for the three years ended 31 March 2008, 2009 and 2010 as extracted from the relevant annual reports of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 March		
	2010	2009	2008
	HK$'000	*HK$'000*	*HK$'000*
Revenue	271,723	246,614	644,659
Other operating income	16,105	10,245	19,417
Other gains and losses	23,437	5,479	3,989
Depreciation	(4,426)	(4,540)	(4,354)
Amortisation of prepaid lease payments	(2,450)	(2,450)	(2,450)
Development costs of sold property	–	–	(122,079)
Commission expenses	(29,959)	(25,814)	(81,925)
Staff costs	(15,012)	(15,481)	(20,004)
Other operating expenses	(29,953)	(38,048)	(46,424)
Convertible note redemption (loss) gain	–	(4,999)	5,585
Fair value gain on derivatives	–	13,653	609
Share of result of an associate	–	–	(9)
Share of result of jointly controlled entities	35,386	(193,439)	172,097
Finance costs	(3,405)	(7,096)	(30,247)
Profit (loss) before taxation	261,446	(15,876)	538,864
Taxation	(36,922)	(24,762)	(61,753)
Profit (loss) for the year	224,524	(40,638)	477,111
Other comprehensive income			
Exchange difference arising on translation	(96)	122	–
(Deficit) surplus on revaluation of properties	(13)	1,830	–
Deferred tax asset (liability) arising on revaluation of properties	3	(282)	–
Other comprehensive income for the year	(106)	1,670	–
Total comprehensive income for the year	224,418	(38,968)	477,111
Profit (loss) for the year attributable to:			
Owners of the Company	224,212	(19,082)	448,297
Minority interests	312	(21,556)	28,814
	224,524	(40,638)	477,111
Total comprehensive income attributable to:			
Owners of the Company	224,106	(17,412)	448,297
Minority interests	312	(21,556)	28,814
	224,418	(38,968)	477,111
Earnings (loss) per share			
– Basic	HK6.06 cents	HK(0.60) cents	HK17.39 cents
– Diluted	HK6.04 cents	HK(0.60) cents	HK16.41 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March		
	2010	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*
Non-current assets			
Prepaid lease payments	88,881	91,331	93,781
Property and equipment	30,514	34,586	35,852
Investment properties	80,052	74,600	49,550
Intangible assets	8,504	8,004	8,004
Goodwill	15,441	15,441	15,441
Interests in jointly controlled entities	707,920	665,103	858,542
Other assets	2,977	4,386	4,386
Amounts due from jointly controlled entities	406,487	226,594	209,368
Loan receivable	–	100,000	–
Loans and advances	18,330	23,044	28,418
Deposit	12,924	50,000	–
Investments in securities	84,829	–	–
	1,456,859	1,293,089	1,303,342
Current assets			
Accounts receivable	1,478,668	1,348,051	1,919,323
Loans and advances	101,927	276,540	125,922
Prepaid lease payments	2,450	2,450	2,450
Properties under development for sale	42,239	42,082	40,537
Prepayments, deposits and other receivables	3,660	3,236	2,594
Taxation recoverable	567	431	28
Investments in securities	43,766	84,000	–
Bank balances - client accounts	224,690	140,691	307,845
Bank balances - general accounts and cash	380,690	94,834	186,636
	2,278,657	1,992,315	2,585,335
Current liabilities			
Accounts payable	284,950	296,467	485,299
Accrued charges and other accounts payable	12,427	11,170	14,955
Amounts due to minority shareholders	17,000	88,104	83,466
Taxation payable	14,778	7,193	46,070
Derivatives	–	–	13,653
Borrowings	–	–	133,000
	329,155	402,934	776,443
Net current assets	1,949,502	1,589,381	1,808,892
Total assets less current liabilities	3,406,361	2,882,470	3,112,234

	As at 31 March		
	2010	**2009**	**2008**
	HK$'000	*HK$'000*	*HK$'000*
Non-current liability			
Convertible notes	–	–	93,120
Deferred tax liabilities	4,858	3,769	5,196
	4,858	3,769	98,316
Net assets	3,401,503	2,878,701	3,013,918
Capital and reserves			
Share capital	424,948	316,888	316,888
Reserves	2,976,555	2,543,880	2,657,541
Equity attributable to owners of the Company	3,401,503	2,860,768	2,974,429
Minority interests	–	17,933	39,489
Total equity	3,401,503	2,878,701	3,013,918

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The audited consolidated financial statements of the Group for each of the two years ended 31 March 2009 and 2010 together with the relevant notes to the accounts could be found in the annual reports of the Company published on the website of the Stock Exchange (http://www.hkexnews.hk/) with the title "Annual Report 2009" dated 27 July 2009 (http://www.hkexnews.hk/listedco/listconews/sehk/20090727/LTN20090727538.pdf) from pages 32 to 139 and "Annual Report 2010" dated 26 July 2010 (http://www.hkexnews.hk/listedco/listconews/sehk/20100726/LTN20100726227.pdf) from pages 32 to 135.

3. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

Set out below is the management discussion and analysis of the Group's business and performance for the three years ended 31 March 2008, 2009 and 2010.

(a) For the year ended 31 March 2008

Review of operations

For the year under review, it witnessed the up and down of the stock market. Dominated by the China concept, Hong Kong stock market benefited from the positive expectation of investors for the future prospect of the China economy. Further spurred by the release of the news on deregulation of China QDII policy and the so-called "through train" pilot programme, Hang Seng Index soared to an all-time closing high of 31,638 on 30 October 2007. However in the second half of the year, the impact of the US subprime mortgage fallout on its economy, the US and European liquidity crunch, the falling US dollar, rising commodity prices and escalating inflation, halt of the through train programme as well as the decline of the mainland equity market were intensified. All these have unavoidably affected Hong Kong's economy as it is an international financial center and the Hang Seng Index fell to 22,849 at 31 March 2008.

In general, our businesses were resilient throughout the past year. The Group posted the best business performance in its history. Various businesses such as broking, securities margin financing and money lending all performed well. Taking advantage of the active stock market of the year, the Group's brokerage income and margin loan volume had a rather substantial increase as compared with the previous year. The Group recorded a consolidated turnover of approximately HK$645 million, representing an increase of 202% over previous year and the net profit has been up by 165% to approximately HK$477 million compared to the results a year ago.

Apart from the robust growth from the financial services sector, another highlight of the year was undoubtedly the disposal of the Group's property development in Lomand Road in Hong Kong, which has realized a net profit of approximately HK$83 million. In addition, the share of fair value gain and operation profit on the Group's investment in Grand Waldo Hotel in Macau through its interest in a jointly controlled entity, had contributed a net profit of approximately HK$172 million.

Brokerage income and interest income from securities margin financing

The average stock market turnover rose by approximately 151% during the year as compared with previous year. The average stock market daily turnover leaped from HK$39 billion for the financial year of 2006-07 to HK$98 billion for the financial year of 2007-08 and the benchmark Hang Seng Index was closed at 22,849 at 31 March 2008, up by 15% as compared to the Hang Seng Index closed at 31 March 2007. This upward trend was partly due to the influx of liquidity and strong buying interest in China-related stocks. In addition, a significant portion of the equity capital raised through the local stock market was raised by P.R.C. companies or by companies expanding into China.

Brokerage income and interest income from securities margin financing again formed the principal source of our income. During the year ended 31 March 2008, the turnover for the broking business recorded HK$253 million, up by 112% compared to last year and the segmental result of broking sector has achieved a profit of HK$113 million, increased by 111% over the previous year. The Group's strong performance in its broking business was mainly attributed to the corresponding sharp increase in our local market activities and strong investment sentiment throughout the year.

The segmental result of securities margin financing recorded a profit of HK$146 million, increased by 135% compared with last year, which was mainly due to the increase in the average level of margin financing. The Group will continue to exercise caution in the granting of share margin loans to clients and carry regular reviews and assessments of the share portfolio and on an individual borrower basis.

Placing and underwriting of rights issue and shares

The placing and underwriting activities recorded relevant commission income for the sector of HK$13 million, up by 8% compared to last year. During the year, the Group completed 23 shares placements and underwriting assignments. To a large extent, the earning performance of this sector depend on market conditions.

Money lending

The money lending vehicle which is mainly engaged in the provision of consumer and mortgage loans posted a net profit of approximately HK$22 million this year, up by 40% compared to last year and no material impairment loss was made.

Corporate finance

We continue to focus on the provision of financial advisory services to listed issuers. The corporate finance department completed 14 financial advisory assignments in relation to Listing Rules and Takeover Code, a net profit of approximately HK$1 million was recorded this year.

Property development

During the year, the Group disposed of a property suited at Lomond Road in Hong Kong which contributed to the Group an one-off net gain of HK$83 million.

Financial review

The Group has always maintained a high level of liquid assets for operations. The Group's net current assets as at 31 March 2008 amounted to approximately HK$1,809 million, representing an increase of approximately 133%. The Group had HK$133 million outstanding borrowings at 31 March 2008 comprising bank loans (2007: HK$412 million). As at 31 March 2008, the Group had a cash holdings of HK$187 million.

The gearing ratio of the Group (total liabilities over total shareholders' funds) was 0.3 time (2007: 0.5 time) as at 31 March 2008.

The business activities of the Group had not exposed to material fluctuation in exchange rates as majority of the transactions were denominated in Hong Kong dollars.

As at 31 March 2008, the Group had available and unutilized banking facilities amounting to HK$578 million. The banking facilities were secured by clients' pledged securities and prepaid lease payments and building as well as corporate guarantees provided by the Company.

As at 31 March 2008, the Group had no material contingent liabilities and no capital commitment.

Material acquisition of subsidiaries, associated companies and jointly controlled entities

In August 2006, the Group acquired 50% equity interest in More Profit International Limited ("More Profit") which was then accounted for as an interest in jointly controlled entity. On 26 June 2007, the Group entered into an agreement with Macau Prime Properties Holdings Limited to acquire an additional 40% interest in More Profit, through the acquisition of the entire issued share capital and shareholders' loan of Dragon Rainbow Limited. On 20 September 2007, the transaction was completed and thereafter the Group held a 90% equity interest in More Profit. The Group's effective interest in Great China Company Limited, the jointly controlled entity of More Profit, has increased from 25% to 45% as a result of this transaction. Great China Company Limited is the owner of Grand Waldo Hotel in Macau which is destined as a five star hotel complex. The hotel was leased to an operator for a fixed annual rental income of HK$200 million for five-years effective from 2007. The interest in this jointly controlled entity had a carrying value of HK$859 million as at 31 March 2008.

Convertible notes

During the year, the Company issued convertible notes with an aggregate principal amount of HK$350,000,000 at the conversion prices of HK$1-HK$1.2 per share for HK$250,000,000 and HK$0.907 per share for HK$100,000,000. The convertible notes bear interest of 5% per annum. During the year, the Company had made early repayment of the convertible note in the total amount of HK$250,000,000. The convertible note of HK$100,000,000 was outstanding as at 31 March 2008.

Staff

As at 31 March 2008, the Group had a total of 44 full time employees (2007: 45) and 88 account executives (2007: 88), 22 of whom were also employed as full time employees of the Group. The Group remunerated employees based on the industry practice and individual's performance.

Prospects

Hong Kong will be unavoidably sensitive to changing conditions in the global economy, though China's economic performance has become increasingly relevant for both the local economy and its financial market. Worries of a recession in the US plus the threat of an overheating China economy may continue to dampen investment sentiment in the local stock market. The Group should be on the alert for more violent fluctuations in the global financial market.

Despite the challenging environment, both the Central Government and Hong Kong Government has shown strong confidence and active support to further strengthen Hong Kong as one of the worldclass financial centers, the Group believes the Hong Kong stock market will continue its growth with this tremendous opportunity. The Group will continue its expansion of the financial service sector and will make use of its professional brokerage team to further strengthen the customer base and market share. Meanwhile, with a strong financial position, the Group will also continue to look for potential investment opportunities through an active and prudent approach to maximize return for its stakeholders.

(b) For the year ended 31 March 2009

Review of operations

The worsening global financial crisis fuelled a sharper economic downturn for the year. The total capitalization of the local stock market fell by 40% to HK$10,081 billion as of 31 March 2009 which reflects the dramatic decline in share prices in general as the benchmark Hang Seng Index dropped 41% over the year. Amid the market downtrend, activity also dwindled sharply with average daily turnover tumbling by 41% compared to the last year.

The Group's overall business performance was affected significantly by a reduction in total revenue. For the year ended 31 March 2009, the Group recorded a revenue of approximately HK$247 million (2008: HK$645 million) and a loss before taxation of HK$16 million (2008: profit HK$539 million). Loss attributable to equity holders of the Company amounted to HK$19 million (2008: profit HK$448 million), while loss per share was HK0.60 cents (2008: earnings HK17.39 cents). The loss incurred in this year was mainly attributable to (i) share of the loss of approximately HK$193 million of a jointly controlled entity, resulting from decrease in fair value of its investment property; (ii) significant decrease in the Group's revenue and related profit in respect of property development in the current year (2008: HK$83 million gain). Without the above mentioned item (i), the Group would have achieved a profit attributable to equity holders of the Company of approximately HK$155 million.

Brokerage income and interest income from securities margin financing

The average stock market turnover dropped by approximately 41% during the year as compared with previous year. The average stock market daily turnover fell from HK$98 billion for the financial year of 2007-08 to HK$58 billion for the financial year of 2008-09 and the benchmark Hang Seng Index was closed at 13,576 at 31 March 2009, down by 41% as compared to the Hang Seng Index closed at 31 March 2008. This downward trend was triggered by deepened concerns over the United States ("US") economy after the meltdown of its home mortgage market and the financial markets worldwide were battered by a credit crunch after witnessing the financial difficulties faced by many major financial institutions in the US and Europe.

The Group's commission and fee income from brokerage segment declined materially by 63% to approximately HK$94 million this year and the segmental result achieved a profit of HK$37 million, dropped 67% compared to last corresponding year due to the shrinkage turnover of the stock market.

Despite the tighter credit conditions and weaker capital markets, the Group's margin lending business remained relatively stable, interest income from margin financing decreased by 32% compared with a year earlier to approximately HK$110 million, contributing a segmental profit of approximately HK$106 million. The Group's margin loan book lowered by 30% to approximately HK$1,284 million compared with a year ago. However, loan quality remains sound under the Group's prudent risk and credit controls. The Group's liquidity position remains healthy with no noticeable adverse impact from the credit crunch in the financial market.

Placing and underwriting of rights issue and shares

The placing and underwriting activities recorded relevant commission income for the sector of HK$12 million, down by 12% compared to last year. During the year, the Group completed 15 shares placements and underwriting assignments. To a large extent, the earning performance of this sector depend on market conditions.

Money lending

The money lending vehicle which is mainly engaged in the provision of consumer and mortgage loans posted a net profit of approximately HK$25 million this year, up by 14% compared to last year.

Corporate finance

We continue to focus on the provision of financial advisory services to listed issuers. The corporate finance department completed 15 financial advisory assignments in relation to Listing Rules and Takeovers Code and a net profit of approximately HK$2 million was recorded this year.

Financial review

The equity attributable to equity holders of the Company amounted to HK$2,861 million as at 31 March 2009, representing a decrease of HK$114 million, or approximately 4% from that of 31 March 2008. The Group has always maintained a high level of liquid assets for operations. The Group's net current assets as at 31 March 2009 amounted to approximately HK$1,589 million (2008: HK$1,809 million). The Group had no outstanding borrowings as at 31 March 2009 (2008: HK$133 million). As at 31 March 2009, the Group had a cash holdings of HK$95 million (2008: HK$187 million).

The gearing ratio of the Group (total liabilities over total shareholders' funds) was 0.1 time (2008: 0.3 time) as at 31 March 2009.

The business activities of the Group had not exposed to material fluctuation in exchange rates as majority of the transactions denominated in Hong Kong dollars, except for certain transactions carried out in Taiwanese dollar for a subsidiary's operation in Taiwan.

As at 31 March 2009, the Group had available and unutilised banking facilities amounting to HK$557 million (2008: HK$717 million). The banking facilities were secured by clients' pledged securities, prepaid lease payments and properties as well as corporate guarantees provided by the Company.

As at 31 March 2009, the Group and certain parties provided financial guarantees to banks on a joint and several basis in respect of banking facilities granted to Great China Company Limited, the Group's jointly controlled entity. The maximum amount that could be required to be paid if the guarantees were called upon the Group and those parties amounted to HK$1,250,000,000.

Save as aforesaid, the Group had no material contingent liabilities at the year end.

Material acquisition of subsidiaries and jointly controlled entities

There were no material acquisitions or disposals of subsidiaries or associates completed during the year.

Convertible notes

During the year, the Company had made early repayment of the convertible note in the principal amount of HK$100,000,000. No convertible note was outstanding as at 31 March 2009.

Staff

As at 31 March 2009, the Group had a total of 42 full time employees (2008: 44) and 88 account executives (2008: 88), 28 of whom were also employed as full time employees of the Group. The Group remunerated employees based on the industry practice and individual's performance.

Prospects

The US and European governments and their central banks are using all possible efforts to stabilise their financial markets and prevent an economic meltdown. The results of these efforts have yet to be seen. The chaos is expected to sustain in the foreseeable future before a return of confidence, which may take time.

Though a global economic recession has been in sight, the Group remains hopeful that China's economy will retain its resilience. Concerted multinational efforts are needed to revive economic growth globally, as balancing trade, investment and capital flows will be the remedies. The Group believes Hong Kong will be able to withstand the challenges ahead on the back of its closer integration with the Mainland and the considerable hidden wealth in the economy. The Mainland will no doubt be in full support of Hong Kong's economy and its role in opening up the country's economy and financial markets. Accordingly, the Group will remain focused on its core businesses, take advantage of its statement of financial position to look at potential acquisitions and maintain an appropriate cost containment discipline to emerge stronger from this financial crisis.

(c) For the year ended 31 March 2010

Review of operations

The intensive measures implemented by various governments have significantly enhanced market liquidity and investors' confidence. General economy becomes stable while the financial market reveals signs of a rally. Benefited from the positive momentum in Chinese Mainland, the economy in Hong Kong has broadly improved. The financial market was particularly robust with abundant liquidity on the back of market confidence in the Chinese capital market. Focusing on financial services, the Group was able to take advantage of this economic recovery.

During the reporting period, the Group's financial results displayed a year-on-year improvement. The Group recorded a revenue of HK$272 million (2009: HK$247 million) and a profit before taxation of HK$261 million (2009: loss of HK$16 million). Profit attributable to owners of the Company amounted to HK$224 million (2009: loss of HK$19 million), while earnings per share was HK6.06 cents (2009: loss per share HK0.6 cents). Profit turnaround for the year was mainly due to share of profit of HK$35 million of a jointly controlled entity (2009: loss of HK$193 million).

Broking

The average daily turnover on the local stock exchange was up by 16% from HK$58 billion in previous year to HK$67 billion during the year and the benchmark Hang Seng Index ("HSI") closed at 21,239 at 31 March 2010, a surge of 56% as compared to the HSI closing at 31 March 2009.

The upturn in both of market turnover and HSI could be attributable to the sustained low interest rates and more stable corporate earnings which created a positive investment climate for the year in addition to the comprehensive stimulus measures taken by the US and European governments to stabilise their financial markets.

The Group's commission and fee income from brokerage segment increased significantly by 36% to HK$128 million this year (2009: HK$94 million). Among which, the Group's placing and underwriting activities delivered a strong performance for the year, with commission income increasing 75% to HK$21 million (2009:HK$12 million). The division completed 40 placements and underwriting assignments in respect of convertible notes and fund raising exercises in the equity markets. The segmental result achieved a profit of HK$69 million (2009: HK$37 million), a surge of 86% compared to last corresponding year on the back of stronger market sentiment.

Securities margin financing

The Group's margin lending business remained relatively stable, interest income from margin financing increased by 2%, compared a year earlier, to HK$112 million (2009: HK$110 million), contributing a segmental profit of approximately HK$108 million (2009: HK$106 million). The Group's margin loan book at the year end was up by 10% to HK$1,411 million (2009: HK$1,284 million) compared to a year ago.

Money lending

The money lending vehicle which is mainly engaged in the provision of consumer and mortgage loans posted a net profit of HK$24 million this year (2009: HK$25 million).

Corporate finance

We continue to focus on the provision of financial advisory services to listed issuers. The corporate finance department completed 16 financial advisory assignments in relation to Listing Rules and Takeovers Code and a net profit of HK$2 million was recorded this year (2009: HK$2 million).

Investments

The segment handles property and other treasury investments for the Group. For the year ended 31 March 2010, it recorded a profit of HK$40 million (2009: loss of HK$186 million) resulting mainly from an increase in fair value of the financial instruments and investment properties. As at 31 March 2010, the Group was holding a portfolio of securities and convertible notes with a total value of HK$129 million (2009: HK$84 million).

Hotel and entertainment

The hotel and entertainment businesses are mainly formed by (i) hotel and spa businesses (conducted via 50% owned Grand Waldo Hotel and Carnival Club) and (ii) Macau gaming business (conducted via 50% owned Grand Waldo Entertainment). The Group had shared profit of HK$35 million from the hotel and spa businesses mainly attributable to the increase in fair value of the investment property held by the Great China Group amounting to HK$78 million and there was an unrecognised share of losses of HK$17 million from the Macau gaming business.

Financial review

The equity attributable to owners of the Company amounted to HK$3,402 million as at 31 March 2010, representing an increase of HK$541 million, or 19% from that of 31 March 2009. The Group has always maintained a high level of liquid assets for operations. The Group's net current assets as at 31 March 2010 amounted to HK$1,950 million (2009: HK$1,589 million). The Group had no outstanding borrowings as at 31 March, 2010 (2009: nil). As at 31st March 2010, the Group had a cash holdings of HK$381 million (2009: HK$95 million). During the year, the Company issued 147,000,000 new shares of HK$0.10 each at a price of HK$0.55 per share, of which 38,000,000 new shares arose from the exercise of the Company's share options at HK$0.55 per share. The Company further issued 300,000,000 new shares of HK$0.10 each at the placement price of HK$0.50 per share. The convertible notes issued during the year were converted into 633,600,000 new shares at the conversion price of HK$0.25.

The gearing ratio of the Group (total liabilities over total shareholders' funds) was 0.1 time (2009: 0.1 time) as at 31 March 2010.

The business activities of the Group are not exposed to material fluctuations in exchange rates as the majority of the transactions are denominated in Hong Kong dollars, except for certain transactions carried out in Taiwanese dollar for a subsidiary's operation in Taiwan.

As at 31 March 2010, the Group had available and unutilised banking facilities amounting to HK$627 million (2009: HK$557 million). The banking facilities were secured by clients' pledged securities, prepaid lease payments and properties as well as corporate guarantees provided by the Company.

As at 31 March 2010, the Group and certain parties provided financial guarantees to banks on a joint and several basis in respect of banking facilities granted to Great China Company Limited, the Group's jointly controlled entity. The maximum amount that could be required to be paid if the guarantees were called upon the Group and those parties amounted to HK$1,250 million (2009: HK$1,250 million).

Save as aforesaid, the Group had no material contingent liabilities at the year end.

As at 31 March 2010, the Group had capital commitments of HK$13 million in respect of the acquisition of a yacht.

Charges on Group assets

Investment properties, buildings and interests in land of the Group with a carrying amount of HK$145 million (2009: HK$148 million) were pledged for banking facilities granted to the Group.

Material acquisition of a subsidiary

As at 31 March, 2009, the Group held 90% interest in More Profit International Limited ("More Profit"), which in turn held 50% interest in Great China Company Limited. During the year, the Group acquired the remaining 10% of More Profit, through the acquisition of the entire share capital of Group Success International Limited and its shareholders loan at a total consideration of HK$100 million.

Convertible notes

During the year, the Company issued convertible notes in the total amount of HK$158,400,000 which were fully converted into 633,600,000 shares at the conversion price of HK$0.25 per share. No convertible note was outstanding as at 31 March 2010.

Staff

As at 31 March 2010, the Group had a total of 45 full time employees (2009: 42) and 85 account executives (2009: 88), 28 of whom were also employed as full time employees of the Group. The Group remunerated employees based on the industry practice and individual's performance.

4. FINANCIAL AND TRADING PROSPECTS

A range of fiscal and monetary stimuli implemented by governments globally began to gain traction in the second quarter of 2009, with the Mainland economy leading the recovery. It is expected that the Hong Kong economy will benefit from healthy domestic demand and the Mainland's abundant liquidity. As such, the Group is optimistic about Hong Kong's economic outlook. On the brokerage business, the Group will strengthen its existing client base by satisfying the needs of clients. Corporate finance is another business to expand as it can bring opportunities to the brokerage business.

Coping with the fast development in Cotai, Macau and in light of the pick up in tourism in Macau, which will in turn have a positive effect on the gaming and hotel industry in Macau and its economy in the long term, the GW Entertainment has renovated the Casino in 2009 to attract more new visitors. In order to maintain its marketing position, the Great China Group has also planned to refurbish its facilities in the complex such as to renovate the SPA and relax centre in its amenities building, which is over 330,391 square feet. The Group's objective is to establish a multi-function family style SPA and relax centre in Cotai targeting for the mass market growth in the future. The Board believes that the operation in the Hotel and the capital values of the Property will contribute significant benefits to the Group in a long run.

Meanwhile, the Group will continue to pursue, on an active and prudent approach, strategic direct investment projects aiming to optimise its return to the Company and its shareholders.

5. WORKING CAPITAL

The Directors are of the opinion that, taking into account the cash flows generated from the operating activities, the financial resources available to the Enlarged Group including internally generated funds and the available credit, the Enlarged Group has sufficient working capital for its business for the next 12 months from the date of this circular in the absence of unforeseen circumstances.

6. INDEBTEDNESS

At the close of business on 31 May 2010, being the latest practicable date for the purpose of preparing the indebtedness statement prior to the printing of this circular, the Group had outstanding amounts due to non-controlling shareholders of approximately HK$17 million, bank borrowings of approximately HK$91 million secured by properties held by the Group together with the guarantee provided by the Company, and capital commitment regarding the purchase of a yacht of approximately HK$13 million. Great China Group had outstanding amounts due to shareholders of approximately HK$524 million, and bank borrowings of approximately HK$811 million secured by properties held by Great China Group together with the guarantees provided by shareholders and the personal guarantees provided by three of its directors. Grand Waldo Entertainment Limited had outstanding amounts due to shareholders of approximately HK$523 million and contingent liabilities in respect of guarantees provided to independent third parties of approximately HK$8 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Enlarged Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities as at the close of business on 31 May 2010.

1. ACCOUNTANTS' REPORT ON THE GREAT CHINA GROUP

The following is the text of a report from WH Tang & Partners CPA Limited, the independent reporting accountants, in respect of the accountants' report on the Great China Group prepared for the sole purpose of inclusion in this circular.

31 July 2010

The Directors
Get Nice Holdings Limited
10th Floor,
Cosco Tower,
Grand Millennium Plaza,
183 Queen's Road Central,
Hong Kong.

Dear Sirs,

We set our below our report on the financial information of Great China Company Limited ("Great China)") and its subsidiaries (collectively referred to as "Great China Group") including the consolidated statements of financial position and the statements of financial position of Great China as at 31 December 2007, 31 December 2008 and 31 March 2010, the consolidated statements of comprehensive income, the consolidated statements of cash flows and the consolidated statement of changes in equity for each of the years ended 31 December 2007, 31 December 2008 and for the period from 1 January 2009 to 31 March 2010 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory notes thereto (collectively referred to as the "Financial Information") for inclusion in the circular dated 31 July 2010 (the "Circular") issued by Get Nice Holdings Limited (the "Company") in connection with the very substantial acquisition and connected transactions relating to acquisition of 15% interest in Great China and Grand Waldo Entertainment Limited

Great China was incorporated in Macau with limited liability on 20 May 2003 and principally engaged in the business of property investment and investment holdings during the Relevant Periods.

As at the date of this report, the particulars of the subsidiaries of Great China are as follows:

Name of subsidiary	Place and date of incorporation	Qouta capital	Effective percentage held by Great China	Principal activities
Grand Waldo Hotel Limited ("GW Hotel")	Macau 29 July 2005	MOP1,000,000	100%	Hotel and catering services
Carnival Club Limited ("Carnival")	Macau 29 July 2005	MOP1,000,000	100%	Provision of recreation services
Grand Waldo Outlets Company Limited	Macau 23 July 2009	MOP100,000	90%	Not yet commenced business

Audited financial statements of Great China for the year ended 31 December 2007 have been prepared and audited by Messrs. CSC & Associados and audited financial statements for year ended 31 December 2008 have been prepared and audited by Messrs. W.H. Tang & Partners CPA Limited respectively. According to a shareholders' resolution dated 14 September 2009, financial year end of Great China Group has been changed from 31 December to 31 March with effect from 1 January 2009.

BASIS OF PREPARATION

The Financial Information has been prepared by the directors of Great China based on the financial statements for the Relevant Periods (the "Underlying Financial Statements"), on the basis as set out in Note 2 below. The Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Financial Information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and accounting principles generally accepted in Hong Kong.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of Great China are responsible for the preparation of the Financial Information which are free from material misstatement and give a true and fair view. The directors of the Company are responsible for the contents of the Circular in which this report is included. In preparing the Financial Information which gives a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable in the circumstances. It is our responsibility to form an independent opinion, based on our audit, on the Financial Information and to report our opinion to you.

REPORTING ACCOUNTANTS' RESPONSIBILITY

As a basis for forming an opinion on the Financial Information, we have carried out appropriate audit procedures in respect of the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and carried out such additional procedures as we considered necessary in accordance with the Auditing Guideline – Prospectuses and the Reporting Accountant (Statement 3.340) issued by the HKICPA. No adjustments are considered necessary in respect of the Underlying Financial Statements for the preparation of the Financial Information.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Information. It also includes an assessment of the significant estimates and judgements made by the directors of Great China in the preparation of the Financial Information, and of whether the accounting policies are appropriate to Great China Group's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the Financial Information is free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of the Financial Information. However, Great China did not prepare consolidated financial statements for year ended 31 December 2007 in accordance with the requirements of Hong Kong Accounting Standards 27 "Consolidated and Separate Financial Statements" issued by the HKICPA. Reliable financial information of the subsidiaries was not available and it is impracticable for us to carry out auditing procedures relating to the subsidiaries of the Great China and prepare the financial information of the Great China Group in accordance with HKAS27.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

Except for the failure to prepare consolidated financial statements for the year ended 31 December 2007, in our opinion, the Financial Information gives a true and fair view of the state of affairs of Great China Group as at 31 December 2007, 31 December 2008 and 31 March 2010 and of the results and cash flows of Great China Group for each of the Relevant Periods.

Emphasis of matter – Material uncertainty regarding the going concern assumption

Without qualifying our opinion, we draw your attention to note 2 to the Financial Information concerning the adoption of the going concern basis on which the Financial Information has been prepared. Great China Group had incurred loss attributable to equity shareholders of Great China of approximately MOP133,274,000 for the period from 1 January 2009 to 31 March 2010 and net current liabilities of approximately MOP186,718,000 as at 31 March 2010 respectively. This condition, along with other matters as disclosed in note 2 to the Financial Information, indicate the existence of a material uncertainty which may cast doubt about Great China's ability to continue as a going concern.

I. FINANCIAL INFORMATION

Consolidated Statements of Comprehensive Income

	Note	For the period from 1 January 2009 to 31 March 2010 MOP'000	Year ended 31 December 2008 MOP'000	2007 MOP'000
Revenue	8	230,077	206,000	208,882
Cost of sales		(19,647)	(656)	(2,915)
Gross profit		210,430	205,344	205,967
Other revenue	9	304	214	820
Depreciation		(30,095)	–	–
Amortisation of prepaid lease payments		(4,069)	–	–
Staff costs		(53,132)	–	–
Valuation gains (losses) on investment property		(125,454)	(391,400)	391,400
Administrative expenses		(42,101)	(2,048)	(4,402)
Operating expenses		(14,486)	–	–
(Loss) profit from operations		(58,603)	(187,890)	593,785
Excess over the cost of business combination	10	14,187	–	–
Finance costs	11	(103,919)	(47,959)	(75,906)
(Loss) profit before taxation	12	(148,335)	(235,849)	517,879
Income tax expenses	13	15,051	46,968	(46,982)
(Loss) profit for the period/year and Total comprehensive income for the period/year		(133,284)	(188,881)	470,897
Attributable to:				
Equity shareholders of Great China		(133,274)	(188,881)	470,897
Non-controlling interests		(10)	–	–
(Loss) profit for the period/year and Total comprehensive income for the period/year		(133,284)	(188,881)	470,897

Consolidated Statements of Financial Position

	Note	As at 31 March 2010 MOP'000	As at 31 December 2008 MOP'000	As at 31 December 2007 MOP'000
Non-current assets				
Property, plant and equipment	17	568,547	–	–
Investment property	18	2,210,174	3,090,000	3,481,400
Prepaid lease payments	20	142,801	–	–
Prepayment		–	88	324
		2,921,522	3,090,088	3,481,724
Current assets				
Prepaid lease payments – current portion	20	7,630	–	–
Inventories	21	1,281	–	–
Trade and other receivables	22	23,126	4,337	5,540
Amount due from related companies	23	–	43,543	72,605
Bank balances and cash	24	30,621	16,316	20,559
		62,658	64,196	98,704
Current liabilities				
Trade and other payables	25	24,212	3,502	6,008
Amount due to a holding company	26	–	103	52,882
Amount due to a related company	27	54,759	–	–
Tax payables		4	–	–
Rental deposits received		1,428	–	–
Bank loan (secured) – current portion	28	168,896	158,113	138,137
Bank overdraft	24	77	–	–
		249,376	161,718	197,027
Net current liabilities		(186,718)	(97,522)	(98,323)
Total assets less current liabilities		2,734,804	2,992,566	3,383,401
Non-current liabilities				
Rental deposits received		764	34,333	34,333
Deferred taxation	29	152,220	167,275	214,243
Loans from shareholders	30	535,910	397,808	397,808
Bank loan (secured)	28	685,882	899,848	1,054,834
		1,374,776	1,499,264	1,701,218
NET ASSETS		1,360,028	1,493,302	1,682,183
Capital and reserves				
Quota capital	31	100	100	100
Reserves	32	1,359,928	1,493,202	1,682,083
Total equity attributable to equity shareholders of Great China		1,360,028	1,493,302	1,682,183
Non-controlling interests		–	–	–
TOTAL EQUITY		1,360,028	1,493,302	1,682,183

Statements of Financial Position of Great China

	Note	As at 31 March 2010 MOP'000	As at 31 December 2008 MOP'000	As at 31 December 2007 MOP'000
Non-current assets				
Property, plant and equipment	17	548,891	–	–
Investment property	18	2,210,174	3,090,000	3,481,400
Interests in subsidiaries	19	842	–	–
Prepaid lease payments	20	142,801	–	–
Prepayment		–	88	324
		2,902,708	3,090,088	3,481,724
Current assets				
Prepaid lease payments – current portion	20	7,630	–	–
Trade and other receivables	22	10,227	4,337	5,540
Amount due from related companies	23	–	43,543	72,605
Bank balances and cash	24	18,427	16,316	20,559
		36,284	64,196	98,704
Current liabilities				
Trade and other payables	25	7,777	3,502	6,008
Amount due to a holding company	26	–	103	52,882
Amount due to related companies	27	41,500	–	–
Tax payables		4	–	–
Rental deposits received		1,428	–	–
Bank loan (secured) – current portion	28	168,896	158,113	138,137
Bank overdraft	24	56	–	–
		219,661	161,718	197,027
Net current liabilities		(183,377)	(97,522)	(98,323)
Total assets less current liabilities		2,719,331	2,992,566	3,383,401
Non-current liabilities				
Rental deposits		764	34,333	34,333
Deferred taxation	29	152,220	167,275	214,243
Loans from shareholders	30	535,910	397,808	397,808
Bank loan (secured)	28	685,882	899,848	1,054,834
		1,374,776	1,499,264	1,701,218
NET ASSETS		1,344,555	1,493,302	1,682,183
Capital and reserves				
Quota capital	31	100	100	100
Reserves	32	1,344,455	1,493,202	1,682,083
TOTAL EQUITY		1,344,555	1,493,302	1,682,183

Consolidated Statements of Changes in Equity

	Attributable to equity shareholders of Great China					
	Quota capital	Legal reserve	Retained profits/ (Deficit)	Total	Non–controlling interests	Total equity
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*
Balance at 1 January 2007	100	–	1,325,516	1,325,616	–	1,325,616
Appropriation from prior year's profit	–	50	(50)	–	–	–
Dividend paid	–	–	(114,330)	(114,330)	–	(114,330)
Total comprehensive income for the year	–	–	470,897	470,897	–	470,897
At 31 December 2007 and At 1 January 2008	100	50	1,682,033	1,682,183	–	1,682,183
Total comprehensive income for the year	–	–	(188,881)	(188,881)	–	(188,881)
At 31 December 2008 and At 1 January 2009	100	50	1,493,152	1,493,302	–	1,493,302
Contribution from non-controlling interests	–	–	–	–	10	10
Total comprehensive income for the period	–	–	(133,274)	(133,274)	(10)	(133,284)
At 31 March 2010	100	50	1,359,878	1,360,028	–	1,360,028

Consolidated Statements of Cash Flows

	For the period from 1 January 2009 to 31 March 2010	Year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
OPERATING ACTIVITIES			
(Loss) profit before taxation	(148,335)	(235,849)	517,879
Adjustments for:			
Interest income	(8)	(214)	(818)
Depreciation	34,164	–	–
Finance costs	103,919	47,959	75,906
Impairment loss recognised in respect of property, plant and equipment	30,378	–	–
Excess over the cost of business combination	(14,187)	–	–
Loss on disposal of property, plant and equipment	94	–	–
Decrease (increase) in fair value of investment property	125,454	391,400	(391,400)
Operating cash flows before movements in working capital	131,479	203,296	201,567
Decrease in prepayment	88	236	443
Increase in inventories	(137)	–	–
(Increase) decrease in trade and other receivables	(7,852)	1,204	26,497
Increase (decrease) in trade and other payables	2,255	(18)	(218,768)
(Decrease) increase in rental deposits received	(32,141)	–	19,124
Cash generated from operations	93,692	204,718	28,863
Income tax paid	–	–	(14)
Interest paid	(27,102)	(50,449)	(70,102)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	66,590	154,269	(41,253)
INVESTING ACTIVITIES			
Interest received	8	214	818
Purchases of property, plant and equipment	(8,197)		
Proceeds from disposal of subsidiaries	–	–	2,000
Acquisition of subsidiaries, net of cash and cash equivalent acquired	12,592	–	–
Amount due from subsidiaries	–	–	30,162
Amount due from fellow subsidiaries	–	–	16,190
Amount due from related companies	46,112	29,062	(72,348)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	50,515	29,276	(23,178)

	For the period from 1 January 2009 to 31 March 2010	Year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
FINANCING ACTIVITIES			
Dividend paid	–	–	(114,330)
Loans from (repayment to) shareholders	61,285	–	(781,389)
Amount due to a holding company	(103)	(52,779)	52,882
Amount due to a related company	39,114	–	–
Capital contribution from non-controlling interests	10	–	–
Net (decrease) increase of bank loan	(203,183)	(135,009)	919,593
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(102,877)	(187,788)	76,756
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,228	(4,243)	12,325
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	16,316	20,559	8,234
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	30,544	16,316	20,559

II. NOTES TO FINANCIAL INFORMATION

1. GENERAL INFORMATION

Great China Company Limited ("Great China") is a private company incorporated in Macau with limited liability. The registered address and principal place of business of Great China is located at Sul da Marina Taipa – Sul Rotnda do Dique Oeste, Taipa, em Macau.

The Financial Information of the Relevant Periods is presented in Macanese Pataca ("MOP") being the functional currency of Great China.

Great China is principally engaged in the business of property investment and investment holding during the Relevant Periods. The principal activities of Great China's subsidiaries are disclosed in note 19 to the Financial Information.

2. BASIS OF PREPARATION

The Financial Information has been prepared in accordance with HKFRSs (including all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA. The Financial Information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

Great China Group had incurred a loss attributable to equity shareholders of Great China of approximately MOP133,274,000 for the period from 1 January 2009 to 31 March 2010 and net current liabilities of approximately MOP186,718,000 as at 31 March 2010 respectively. In spite of these, the Financial Information has been prepared on a going concern basis since the beneficial owners of Great China have agreed to provide adequate funds to enable Great China Group to meet in full its financial obligations as they fall due.

Should Great China Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which might arise. These adjustments have not yet been reflected in the Financial Information.

For the purpose of preparing the Financial Information, Great China Group has adopted all applicable HKFRSs that are relevant to Great China Group and are effective for the accounting period beginning 1 January 2009 throughout the Relevant Periods to the extent required by HKFRSs.

At the date of issue of this Financial Information, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by Great China Group. The directors of Great China anticipate that all of the pronouncements will be adopted in Great China Group for the first period beginning after the effective date of the pronouncement. Information on new and revised HKFRSs that are expected to have impact on Great China Group's accounting policies is provided below:

(i) HKFRS 3 Business combination (2008 Revised)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard requires the use of the acquisition method but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests in the acquiree. The new standard is expected to have a significant effect on business combination occurring in reporting periods beginning on or after 1 July 2009.

(ii) HKAS 27 Consolidated and separate financial statements (2008 Revised)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The directors do not expect the standard to have a material effect on Great China Group's financial statements.

(iii) HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in statement of comprehensive income except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on Great China Group's results and financial position in the first year of application.

(iv) Annual improvements 2009

The HKICPA has issued Improvements to Hong Kong Financial Reporting Standards 2009. Most of the amendments become effective for annual periods beginning on or after 1 January 2010. The directors expect the amendment to HKAS 17 "Leases" to be relevant to Great China Group's accounting policies. Prior to the amendment, HKAS 17 generally required a lease of land to be classified as an operating lease. The amendment requires a lease of land to be classified as an operating or finance lease in accordance with the general principles in HKAS 17. Great China Group will need to reassess the classification of its unexpired leases of land at 1 January 2010 on the basis of information existing at the inception of those leases in accordance with the transitional provisions for the amendment. The amendment will apply retrospectively except where the necessary information is not available. In that situation, the leases will be assessed on the date when the amendment is adopted. The directors are currently assessing the possible impact of the amendment on the Great China's results and financial position in the first year of application.

Certain other new and revised HKFRSs have been issued but are not expected to have a material impact to Great China Group's financial statements.

The significant accounting policies that have been used in the preparation of the Financial Information are set out in note 3. These policies have been consistently applied throughout the Relevant Periods unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 General

The Financial Information has been prepared under historical cost convention except that investment property is stated at its fair value or revalued amount as explained in the accounting policies set out below.

It should be noted that accounting estimates and assumptions are used in the preparation of the Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 4.

3.2 Basis of consolidation

The Financial Information for the Relevant Periods comprises Great China and its subsidiaries.

Subsidiaries (note 3.3) are consolidated from the date on which control is transferred to Great China Group. They are excluded from consolidation from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from Great China Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by Great China Group.

Non-controlling interests represent the portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned by Great China Group and are not Great China Group's financial liabilities. Non-controlling interests are presented in consolidated statements of financial position within equity, separately from the equity attributable to the owners of Great China. Profit or loss attributable to non-controlling interests are presented separately in consolidated statements of comprehensive income as an allocation of the Great China Group's results. Where losses applicable to the minority exceeds the minority interests in the subsidiary's equity, the excess and further losses applicable to the minority are allocated against the minority interest to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses. Otherwise, the losses are charged against Great China Group's interests. If the subsidiary subsequently reports profits, such profits are allocated to the non-controlling interests only after the minority's share of losses previously absorbed by Great China Group has been recovered.

3.3 Subsidiaries

Subsidiaries are entities (including special purpose entities) over which Great China Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether Great China Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to Great China Group. They are excluded from consolidation from the date that control ceases.

Business combinations (other than those under common control) are accounted for by applying the purchase method. This involves the estimation of fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with Great China Group's accounting policies.

Changes in Great China's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transaction. In Great China's statements of financial position, subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by Great China on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in Great China's statement of comprehensive income.

3.4 Goodwill

Goodwill arising from the acquisition of subsidiaries represents the excess of the cost of the business combination over the Great China Group's interest in the net fair value of the identifiable assets acquired and liabilities including contingent liabilities assumed as at the date of acquisition. The cost of the business combination is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by Great China Group, plus any costs directly attributable to the business combination.

Goodwill arising on acquisition is initially recognised in consolidated statements of financial position as an asset at cost and subsequently measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually at the reporting date or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may be impaired (note 3.9). On subsequent disposal of a subsidiary, the carrying amount of goodwill relating to the entity sold is included in determining the amount of gain or loss on disposal.

3.5 Excess over the cost of business combinations

Any excess of Great China Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of a business combination is recognised immediately in consolidated statements of comprehensive income.

3.6 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the consolidated statements of comprehensive income.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.7 Property, plant and equipment

Property, plant and equipment including owner occupied buildings held for use in the supply of services, or for administrative purposes other than construction in progress are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Buildings transferred from investment properties are stated at deemed cost equal to its fair value at the date of change in use and is continued to be accounted for as if it was an asset held under finance lease. Assets under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is provided to write off the cost of items of property, plant and equipment except for freehold land over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method, at the following rates per annum:

Buildings	Over the term of the leases
Leasehold improvements	10% – 33%
Office equipment	14% – 33%
Motor vehicles	20%
Furniture and fixtures	20% – 50%
Machinery	14%

Construction in progress represents asset in the course of construction for production or for its own use purpose and is stated at cost less any impairment loss. Cost comprises construction expenditure and other direct costs attributable to such projects and is reclassified to the appropriate category of property, plant and equipment when completed and ready for intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the consolidated statement of comprehensive income in the year in which the item is derecognised.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis except for those that are classified and accounted for as investment properties under the fair value model.

Prepaid lease payments

Prepaid lease payments representing prepaid land costs are stated at cost less subsequent accumulated amortisation and accumulated impairment losses. Prepaid lease payment is amortised to the consolidated statement of comprehensive income over the term of relevant land leases.

3.8 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement in the year in which the item is derecognised.

3.9 Impairment of non-financial assets

Goodwill, property, plant and equipment and investments in subsidiaries are subject to impairment testing. Goodwill with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within Great China Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are calculated using the first-in-first –out method.

3.11 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated income statement on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3.12 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to Great China Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business, net of discounts and returns.

Rental income from operating leases is recognized in the consolidated statement of comprehensive income on a straight-line basis over the term of relevant lease.

Hotel operation income is recognised upon the provision of services and the utilisation by guests of the hotel facilities.

Building management fee income is recognized when relevant services are provided.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Service income is recognised when services are provided.

Revenue from sales of goods is recognised when the goods are delivered and title has passed.

3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as and included in finance costs in the consolidated income statement in the period in which they are incurred.

3.14 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible. Great China Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where Great China Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Great China Group expects, at the end of the reporting period, the recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3.15 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as expenses when employees have rendered the service entitling them to the contributions.

3.16 Financial instruments

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.16.1 Financial assets

Great China Group's financial assets are classified into loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets of Great China Group are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all financial assets of Great China Group, objective evidence of impairment could include:

- significant financial difficulty of the counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as debtors, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of debtors, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a debtor balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in the investment revaluation reserve. For available for sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3.16.2 Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including trade and other payables, bank overdraft and bank loan) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by Great China are recorded at the proceeds received, net of direct issue costs.

3.16.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and Great China Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.17 Provision, contingent liabilities and contingent assets

Provisions are recognized when Great China Group has a present legal or obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate amount can be made. Where Great China Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Great China Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial information. When a change in probability of an outflow occurs so that outflow is probable, they will then be recognized as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of Great China Group. Contingent assets are not recognized but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

3.18 Related parties

For the purpose of this Financial Information, a party is considered to be related to Great China Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control Great China Group or exercise significant influence over Great China Group in making financial and operating policy decisions, or has joint control over Great China Group;

(ii) Great China Group and the party are subject to common control;

(iii) the party is an associate of Great China Group or a joint venture in which Great China Group is a venturer;

(iv) the party is a member of key management personnel of Great China Group or its parent or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of Great China Group, or of any entity that is a related party of Great China Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3.19 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and demand deposits with banks. For the purpose of the consolidated statements of cash flow presentation, cash and cash equivalents include bank overdrafts which form an integral part of Great China Group's cash management.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Great China Group's accounting policies, which are described in note 3, the directors of Great China are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgement in applying the entity's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of Great China have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Information.

Estimated useful lives of property, plant and equipment

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives. The estimation of useful lives of the depreciable assets is based on the experience of the management, and useful lives are reviewed at each reporting date based on changes in circumstances. When useful lives of property, plant and equipment are different from that previously estimated, the depreciation charges for future periods will be adjusted accordingly.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future financial year.

Investment properties

Investment properties are stated at fair value based on the valuations performed by independent professional valuers. In determining the fair value of investment properties situated in Hong Kong, the valuers have used income capitalization method which involves estimates of future cash flow determined by current leases and future leases with reference to current market conditions as of the end of the reporting period.

In relying on those valuation reports, the directors of Great China have exercised their judgments and are satisfied that the methods of valuations are reflective of the current market conditions.

5. CAPITAL RISK MANAGEMENT

Great China Group manages its capital to ensure that entities in Great China Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. Great China Group's overall strategy remains unchanged from prior year.

The capital structure of Great China Group consists of debt, which includes the borrowings disclosed in note 28 and 30 respectively, and equity attributable to owners of Great China, comprising issued quota capital, reserves.

The directors of the Great China review the capital structure on a regular basis. As part of this review, the directors of Great China consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of Great China, Great China Group will balance its overall capital structure through the payment of dividends and new capital issues as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

GREAT CHINA GROUP

	As at 31 March 2010	**As at 31 December 2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Financial assets			
Loans and receivables (including cash and cash equivalents)	53,670	64,284	99,028
Financial liabilities			
Amortised cost	1,471,851	1,493,707	1,684,002

GREAT CHINA

	As at 31 March 2010	**As at 31 December 2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Financial assets			
Loans and receivables (including cash and cash equivalents)	28,598	64,284	99,028
Financial liabilities			
Amortised cost	1,442,157	1,493,707	1,684,002

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Great China Group's major financial instruments include trade and other receivables, bank balances and cash, trade and other payables, bank overdrafts, bank loan, amount due to related companies and loan from shareholders. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Great China Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including deposits with banks and financial institutions.

In order to minimize the credit risk related to its operating activities, Great China Group reviews the recoverable amount of each individual trade debt at balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts.

The credit risk from its financing activities is limited because the counterparties are authorized banks in Hong Kong and Macau.

Interest rate risk

Great China Group has exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and bank loan.

Great China Group's fair value interest rate risk relates primarily to its variable rate bank loan. Great China Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

At 31 March 2010, if interest rates had been increased/decreased by 50 basis points and all other variables were held constant, Great China Group's loss would increase/decrease by approximately MOP4,182,000 (31 December 2008: MOP5,208,000 and 31 December 2007: MOP5,878,000). This is mainly attributable to the bank loan interest expenses under finance costs and interest income from bank deposits.

Currency risk

Certain financial assets and liabilities of Great China Group are denominated in Hong Kong dollar. Great China Group does not have a foreign currency hedging policy. However, the exchange rate of MOP against Hong Kong dollar is relatively stable; accordingly, no sensitivity analysis has been presented on the currency risk. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Liquidity risk

In the management of the liquidity risk, Great China Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance Great China Group's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of Great China Group and Great China's financial liabilities as at each of the reporting dates based on contractual undiscounted payments.

GREAT CHINA GROUP

	Carrying amounts	Total contractual undiscounted cash flow	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*
31 March 2010						
Trade and other payables	24,212	24,212	24,212	–	–	–
Bank loan	854,778	908,001	197,950	186,485	523,566	–
Bank overdraft	77	77	77	–	–	–
Amount due to related companies	54,759	54,759	54,759	–	–	–
Loans from shareholders	535,910	562,706	–	562,706	–	–
Rental deposits received	2,192	2,192	1,428	–	764	–
	1,471,928	1,551,947	278,426	749,191	524,330	–
31 December 2008						
Trade and other payables	3,502	3,502	3,502	–	–	–
Amount due to a holding company	103	103	103	–	–	–
Bank loan	1,057,961	1,148,371	180,330	181,392	523,700	262,949
Loans from shareholders	397,808	397,808	–	397,808	–	–
Rental deposits received	34,333	34,333	34,333	–	–	–
	1,493,707	1,584,117	218,268	579,200	523,700	262,949
31 December 2007						
Trade and other payables	6,008	6,008	6,008	–	–	–
Amount due to a holding company	52,882	52,882	52,882	–	–	–
Bank loan	1,192,971	1,315,061	163,189	169,260	523,995	458,617
Loans from shareholders	397,808	397,808	–	397,808	–	–
Rental deposits received	34,333	34,333	–	34,333	–	–
	1,684,002	1,806,092	222,079	601,401	523,995	458,617

GREAT CHINA

	Carrying amounts	Total contractual undiscounted cash flow	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*
31 March 2010						
Trade payables and accrued charges	7,777	7,777	7,777	–	–	–
Bank loan	854,778	908,001	197,950	186,485	523,566	–
Bank overdraft	56	56	56	–	–	–
Amount due to related companies	41,500	41,500	41,500	–	–	–
Loans from shareholders	535,910	562,706	–	562,706	–	–
Rental deposits received	2,192	2,192	1,428	–	764	–
	1,442,213	1,522,232	248,711	749,191	524,330	–
31 December 2008						
Trade payables and accrued charges	3,502	3,502	3,502	–	–	–
Amount due to a holding company	103	103	103	–	–	–
Bank loan	1,057,961	1,148,371	180,330	181,392	523,700	262,949
Loans from shareholders	397,808	397,808	–	397,808	–	–
Rental deposits received	34,333	34,333	34,333	–	–	–
	1,493,707	1,584,117	218,268	579,200	523,700	262,949
31 December 2007						
Trade payables and accrued charges	6,008	6,008	6,008	–	–	–
Amount due to a holding company	52,882	52,882	52,882	–	–	–
Bank loan	1,192,971	1,315,061	163,189	169,260	523,995	458,617
Loans from shareholders	397,808	397,808	–	397,808	–	–
Rental deposits received	34,333	34,333	–	34,333	–	–
	1,684,002	1,806,092	222,079	601,401	523,995	458,617

7. SEGMENT INFORMATION

Great China Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of Great China Group. Such internal reports are regularly reviewed by the directors of Great China in order to allocate resources to segments and to assess their performance. Specifically, segment information reported internally was analysed on the basis of the types of goods supplied and services provided by Great China Group's operating divisions (i.e. property investment, hotel operation, income from recreation services and other operation).

Great China Group's operating segments under HKFRS 8 are as follows:

Property investment – gross rental income and building management service income from leasing of properties and furnished apartments and properties held for investment potential

Hotel operation – hotels accommodation, food and banquet operations

Income from recreation services – Spa and beauty services

Other operation – operating of retail outlet

Segment results represent the results by each segment without including any effect of allocation of interest income from bank balances and cash centrally managed, central administration costs, directors' salaries, depreciation and amortisation, fair value changes on investment properties, impairment losses recognised in respect of hotel buildings, finance costs and income taxes. This is the measurement basis reported to the directors of Great China for the purposes of resource allocation and performance assessment.

The accounting policies of the reportable segments are the same as Great China Group's accounting policies described in note 3. The following is the analysis of Great China Group's revenue and results by reportable segment for the period/year under review:

For the period from 1 January 2009 to 31 March 2010

Segment revenue and result

	Property investment *MOP'000*	**Hotel operation** *MOP'000*	**Income from recreation services** *MOP'000*	**Other operation** *MOP'000*	**Total** *MOP'000*
EXTERNAL REVENUE	138,545	85,508	6,024	–	230,077
RESULT					
Segment result	122,387	12,864	(1,939)	(1,919)	131,393
Depreciation					(30,095)
Amortisation of prepaid lease payments					(4,069)
Fair value changes on investment property					(125,454)
Impairment loss recognised in respect of property, plant and equipment					(30,378)
Excess over the cost of business combination					14,187
Finance costs					(103,919)
Loss before taxation					(148,335)
Income tax					15,051
Loss for the period					(133,284)

Segment assets and liabilities

No assets and liabilities are included in the measures of the Great China Group's segment reporting that are used by the directors of Great China.

Accordingly, no segment assets and liabilities are presented.

Geographical information

No geographical analysis is provided as the whole operations of Great China Group is located in Macau.

For the year ended 31 December 2008

Segment revenue and result

	Property investment	**Hotel operation**	**Income from recreation services**	**Other operation**	**Total**
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*
EXTERNAL REVENUE	206,000	–	–	–	206,000
RESULT					
Segment result	203,510	–	–	–	203,510
Fair value changes on investment property					(391,400)
Finance costs					(47,959)
Loss before taxation					(235,849)
Income tax					46,968
Loss for the year					(188,881)

Segment assets and liabilities

No assets and liabilities are included in the measures of the Great China Group's segment reporting that are used by the directors of Great China.

Accordingly, no segment assets and liabilities are presented.

Geographical information

No geographical analysis is provided as the whole operations of Great China Group is located in Macau.

For the year ended 31 December 2007

Segment revenue and result

	Property investment *MOP'000*	Hotel operation *MOP'000*	Income from recreation services *MOP'000*	Other operation *MOP'000*	Total *MOP'000*
EXTERNAL REVENUE	208,882	–	–	–	208,882
RESULT					
Segment result	202,385	–	–	–	202,385
Fair value changes on investment property					391,400
Finance costs					(75,906)
Profit before taxation					517,879
Income tax					(46,982)
Profit for the year					470,897

Segment assets and liabilities

No assets and liabilities are included in the measures of the Great China Group's segment reporting that are used by the directors of Great China.

Accordingly, no segment assets and liabilities are presented.

Geographical information

No geographical analysis is provided as the whole operations of Great China Group is located in Macau.

8. REVENUE

Revenue represents the aggregate of gross rental income, building management service income, income from hotel operations and income from recreation services for the Relevant Periods.

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December	
		2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Revenue for the period/year comprises:			
Rental income	103,711	206,000	205,090
Building management services income	34,834	–	3,792
Hotel income	85,508	–	–
Income from recreation services	6,024	–	–
	230,077	206,000	208,882

9. OTHER REVENUE

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Interest income	8	214	819
Sundry income	296	–	1
	304	214	820

10. EXCESS OVER THE COST OF BUSINESS COMBINATION

Excess over the cost of business combination amounting to approximately MOP14,187,000 arose from the acquisition of 100% equity interest in the subsidiaries, Grand Waldo Hotel Limited and Carnival Club Limited for the period ended 31 March 2010 as detailed in note 32.

11. FINANCE COSTS

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Interest on bank loan repayable over five years	–	46,936	74,360
Interest on bank loan repayable within five years	25,562	–	–
Imputed finance costs on loans from shareholders	76,817	–	–
Amortization of loan arrangement fee	1,207	966	1,488
Bank charges	333	57	58
	103,919	47,959	75,906

12. (LOSS) PROFIT BEFORE TAXATION

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
(Loss) profit before taxation has been arrived at after charging:			
Auditors' remuneration	145	62	125
Bad debt written off	1,548	–	–
Directors' remuneration	–	–	–
Decrease in fair value of investment property	125,454	391,400	–
Depreciation	30,095	–	–
Amortisation of prepaid lease payments	4,069		
Impairment loss recognized in respect of property, plant and equipment	30,378	–	–
Staff costs	53,132	–	–
and after crediting:			
Excess over the cost of business combination	14,187	–	–
Bank interest income	8	214	819
Increase in fair value of investment property	–	–	391,400

13. INCOME TAX EXPENSES

(a) Income tax

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Income tax expenses comprise:			
Macau Complementary Tax			
– Current year	4	–	–
– Under provision in prior years	–	–	14
Deferred taxation *(Note 29)*	(15,055)	(46,968)	46,968
	(15,051)	(46,968)	46,982

Macau Complementary Tax has been provided at the applicable tax rate on the estimated assessable profits for the year ended 31 December 2007. No profits tax has been provided for year ended 31 December 2008 and for the period from 1 January 2009 to 31 March 2010, as Great China Group incurred tax losses. No deferred tax asset has been recognized in respect of the tax loss due to unpredictability of future profits stream.

Reconciliation between (loss) profit before taxation at applicable tax rate is as follows:

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December	
		2008	2007
	MOP'000	*MOP'000*	*MOP'000*
(Loss) profit before taxation	(148,335)	(235,849)	517,879
At Macau Complementary tax rate	(17,800)	(28,302)	62,146
Tax effect of income not taxable for tax purpose	2,749	(18,676)	(24,611)
Tax effect of tax loss not recognized	–	10	9,447
Income tax expenses	(15,051)	(46,968)	46,982

(b) Property tax

Macau property tax is levied at 16% on property rental income. Pursuant to Decree Law No. 19/78/M enacted by the Macau Special Administrative Region of the People's Republic of China (the " Macau SAR"), Great China Group is exempted from Macau property tax for six years starting from the month following the issuance of occupation permit. The exemption period of six years is doubled since the property has been successfully applied as for the tourism purpose scheme.

Subsequent to the issuance of occupation permit in relation to the property in May 2006, property rental is thus exempted from June 2006 to May 2018.

14. INDIVIDUALS WITH HIGHEST REMUNERATION

Of the five individuals with the highest emoluments in Great China Group, none of them were directors of Great China during the Relevant Periods. The emoluments of the five individuals were as follows:

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December	
		2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Salaries and other benefits	1,655	–	–
Contribution to retirement schemes	35	–	–
	1,690	–	–

The emoluments fell within the following bands:

	No. of individuals	No. of individuals	No. of individuals
Nil – MOP1,000,000	5	–	–

15. DIVIDENDS

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Dividends paid to equity shareholders of Great China	–	–	114,330

16. (LOSS) EARNINGS PER SHARE

No (loss) earnings per share information are presented as it is not considered meaningful for the purpose of this report.

17. PROPERTY, PLANT AND EQUIPMENT

GREAT CHINA GROUP

	Buildings	Leasehold improvement	Office equipment	Motor vehicles	Furniture and fixtures	Machinery	Construction in progress	Total
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*
COST								
At 1 January 2007, 31 December 2007, 1 January 2008, 31 December 2008 and at 1 January 2009	–	–	–	–	–	–	–	–
Transfer from investment property	332,935	266,937	–	–	–	–	–	599,872
Acquisition of subsidiaries	–	2,716	8,031	6,858	3,154	286	–	21,045
Additions	–	5,558	1,939	–	–	–	700	8,197
Write-off	–	(30,378)	–	–	–	–	–	(30,378)
Disposal	–	–	(26)	–	(89)	–	–	(115)
At 31 March 2010	332,935	244,833	9,944	6,858	3,065	286	700	598,621
DEPRECIATION								
At 1 January 2007, 31 December 2007, 1 January 2008, 31 December 2008 and at 1 January 2009	–	–	–	–	–	–	–	–
Charged for the period	8,215	15,907	2,937	2,077	917	42	–	30,095
Eliminated on disposal	–	–	(7)	–	(14)	–	–	(21)
At 31 March 2010	8,215	15,907	2,930	2,077	903	42	–	30,074
NET BOOK VALUES								
At 31 March 2010	324,720	228,926	7,014	4,781	2,162	244	700	568,547
At 31 December 2008	–	–	–	–	–	–	–	–
At 31 December 2007	–	–	–	–	–	–	–	–

GREAT CHINA

	Buildings	Leasehold improvement	Total
	MOP'000	*MOP'000*	*MOP'000*
COST			
At 1 January 2007, 31 December 2007, 1 January 2008, 31 December 2008 and at 1 January 2009	–	–	–
Transfer from investment property	332,935	266,937	599,872
Additions	–	1,879	1,879
Write-off	–	(30,378)	(30,378)
At 31 March 2010	332,935	238,438	571,373
DEPRECIATION			
At 1 January 2007, 31 December 2007, 1 January 2008, 31 December 2008 and at 1 January 2009	–	–	–
Charged for the period	8,215	14,267	22,482
At 31 March 2010	8,215	14,267	22,482
NET BOOK VALUES			
At 31 March 2010	324,720	224,171	548,891
At 31 December 2008	–	–	–
At 31 December 2007	–	–	–

Leasehold land and buildings of Great China are situated in Macau and held under medium-term leases.

At 31 March 2010, buildings with carrying amounts of approximately MOP324,720,000 (31 December 2008: Nil and 31 December 2007: Nil) were situated in Macau under medium-term leases.

At 31 March 2010, the directors of Great China conducted an impairment assessment on leasehold improvement and led to the recognition of an impairment loss of approximately MOP30,378,000 (31 December 2008: Nil and 31 December 2007: Nil) in the consolidated statement of comprehensive income.

18. INVESTMENT PROPERTY

GREAT CHINA GROUP AND GREAT CHINA

	MOP'000
FAIR VALUE	
At 1 January 2007	3,090,000
Increase in fair value	391,400
At 31 December 2007 and At 1 January 2008	3,481,400
Decrease in fair value	(391,400)
At 31 December 2008 and At 1 January 2009	3,090,000
Transferred to property, plant and equipment	(599,872)
Transferred to prepaid lease payments	(154,500)
Decrease in fair value	(125,454)
At 31 March 2010	2,210,174

Great China Group and Great China's property interests situated in Macau of approximately MOP2,210,174,000 (31 December 2008: MOP3,090,000,000 and 31 December 2007: MOP3,481,400,000) which are held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment property.

The fair value of Great China Group and Great China's investment property at 31 March 2010 has been arrived at on a basis of valuation carried out by Savills (Macau) Limited, an independent professional property valuers not connected with Great China Group. The valuations for investment property in Macau were arrived by using income method which is based on the principle that an informed buyer would pay no more for the property than an amount equal to the present worth of anticipated future benefits (income) from the same equivalent property with similar risk.

The fair value of Great China Group and Great China's investment property at 31 December 2008 and 31 December 2007 have been arrived at on a basis of valuation carried out by Vigers Appraisal & Consulting Limited, an independent professional property valuers not connected with Great China Group.

On 1 August 2009, part of investment property has been used by Great China Group for its own use, investment property of approximately MOP599,872,000 and MOP154,500,000 were transferred to property, plant and equipment and prepaid lease payments respectively.

19. INTERESTS IN SUBSIDIARIES

GREAT CHINA

	At 31 March 2010 MOP'000	At 31 December 2008 MOP'000	2007 MOP'000
Investment costs:			
Unlisted quota capital, at cost	90	–	2,000
Amount due from subsidiaries	3,845	–	–
Amount due to subsidiaries	(3,093)	–	–
Disposal	–	–	(2,000)
	842	–	–

The following list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of Great China Group:

Name of subsidiary	Place and date of incorporation	Quota capital	Effective percentage held by Great China	Principal activities
Grand Waldo Hotel Limited	Macau 29 July 2005	MOP1,000,000	100%	Hotel and catering services
Carnival Club Limited	Macau 29 July 2005	MOP1,000,000	100%	Provision of entertainment business
Grand Waldo Outlets Company Limited	Macau 23 July 2009	MOP100,000	90%	Not yet commenced business

For the year ended 31 December 2007, Great China has not prepared consolidated financial information in accordance with the requirements of Hong Kong Accounting Standard 27 "Consolidated and separate financial statements" issued by the HKICPA as in the opinion of the directors of Great China, it would involve expense and delay out of proportion to the value to the members of Great China.

20. PREPAID LEASE PAYMENTS

GREAT CHINA GROUP AND GREAT CHINA

	At 31 March 2010 MOP'000	At 31 December 2008 MOP'000	2007 MOP'000
Great China Group and Great China's prepaid lease payments comprises:			
Leasehold land in Macau held under medium term leases	150,431	–	–
Analysed for report purposes is as:			
Non-current assets	142,801	–	–
Current assets	7,630	–	–
	150,431	–	–

Prepaid lease payments were transferred from investment property on 1 August 2009. Amortisation of prepaid lease payments for the period from 1 January 2009 to 31 March 2010 was approximately to MOP4,069,000 (31 December 2008: Nil and 31 December 2007: Nil).

21. INVENTORIES

GREAT CHINA GROUP

	At 31 March	At 31 December	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Beverages	1,171	–	–
Consumables	110	–	–
	1,281	–	–

22. TRADE AND OTHER RECEIVABLES

GREAT CHINA GROUP

	At 31 March	At 31 December	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Trade receivables	12,363	–	1,689
Other receivables	10,763	4,337	3,851
	23,126	4,337	5,540

Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices. For hotel income, Great China Group allows a credit period of 60-90 days to its customers. The following is an aged analysis of trade debtors based on the invoice date:

	At 31 March	At 31 December	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
0-30 days	5,351	–	1,689
31-60 days	3,332	–	–
61-365 days	3,680	–	–
	12,363	–	1,689

At 31 March 2010, included in Great China Group's trade receivables balance are receivables with a carrying amount of approximately MOP1,152,000 (31 December 2008: Nil and 31 December 2007: Nil) which are past due at the reporting date for which Great China Group has not provided any allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable. Great China Group does not hold any collateral over these balances.

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	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Trade receivables	5,394	–	1,689
Other receivables	4,833	4,337	3,851
	10,227	4,337	5,540

Rentals receivable from tenants and service income receivable from customers are payable on presentation of invoices. For hotel income, Great China allows a credit period of 60-90 days to its customers. The following is an aged analysis of trade debtors based on the invoice date:

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
0-30 days	1,549	–	1,689
31-60 days	1,017	–	–
61-365 days	2,828	–	–
	5,394	–	1,689

At 31 March 2010, included in Great China's trade receivables balance are receivables with a carrying amount of approximately MOP1,152,000 (31 December 2008: Nil and 31 December 2007: Nil) which are past due at the reporting date for which Great China has not provided any allowance as there has not been a significant change in credit quality and the amounts are still considered recoverable. Great China does not hold any collateral over these balances.

23. AMOUNT DUE FROM RELATED COMPANIES

GREAT CHINA GROUP AND GREAT CHINA

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Grand Waldo Hotel Limited	–	43,543	72,005
Carnival Club Limited	–	–	600
	–	43,543	72,605

Amount due from related companies are unsecured, interest free and have no fixed repayment terms. In the opinion of the directors of Great China, the fair value of the amount due from related companies at the end of each reporting periods were approximate to the corresponding carrying amount.

24. CASH AND CASH EQUIVALENTS

GREAT CHINA GROUP

	At 31 March	At 31 December	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Cast at banks	30,318	16,316	5,109
Short term time deposits	–	–	15,450
Cash in hand	303	–	–
Cash and cash equivalents in the consolidated statement of financial position	30,621	16,316	20,559
Bank overdraft	(77)	–	–
Cash and cash equivalents in the consolidated statement of cash flows	30,544	16,316	20,559

Included in cash and cash equivalents in the consolidated statement of financial position are the following amounts denominated in a currency other than the functional currency of Great China Group to which they relate:

	At 31 March	At 31 December	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Hong Kong dollar	23,993	15,991	17,622
Renminbi	40	–	–
United States dollar	3	–	–

GREAT CHINA

	At 31 March	At 31 December	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Cast at banks	18,427	16,316	5,109
Short term time deposits	–	–	15,450
Cash in hand	–	–	–
Cash and cash equivalents in the statement of financial position	18,427	16,316	20,559
Bank overdraft	(56)	–	–
	18,371	16,316	20,559

Included in cash and cash equivalents in the statement of financial position are the following amounts denominated in a currency other than the functional currency of Great China to which they relate:

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Hong Kong dollar	17,705	15,991	17,622

25. TRADE AND OTHER PAYABLES

GREAT CHINA GROUP

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Trade payables	–	–	–
Accruals	20,016	3,502	6,008
Other payables	4,196	–	–
	24,212	3,502	6,008

GREAT CHINA

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Trade payables	–	–	–
Accruals	7,777	3,502	6,008
	7,777	3,502	6,008

26. AMOUNT DUE TO A HOLDING COMPANY

GREAT CHINA GROUP AND GREAT CHINA

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Wealth Access Holdings Limited	–	103	52,882

Amount due to a holding company is unsecured, interest free and has no fixed repayment term. In the opinion of the directors of Great China, the fair value of the amount due to a holding company at the end of each reporting periods were approximate to the corresponding carrying amount.

27. AMOUNT DUE TO A RELATED COMPANY

GREAT CHINA GROUP AND GREAT CHINA

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Grand Waldo Entertainment Limited	54,759	–	–

Amount due to a related company is unsecured, interest free and has no fixed repayment term. In the opinion of the directors of Great China, the fair value of the amount due to a related company at the end of each reporting period were approximate to the corresponding carrying amount.

GREAT CHINA

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Grand Waldo Entertainment Limited	41,500	–	–

Amount due to a related company is unsecured, interest free and has no fixed repayment term. In the opinion of the directors of Great China, the fair value of the amount due to a related company at the end of each reporting period were approximate to the corresponding carrying amount.

28. BANK LOAN (SECURED)

GREAT CHINA GROUP AND GREAT CHINA

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Bank loan (secured)	854,778	1,057,961	1,192,971
Carrying amount repayable:			
On demand or within one year	168,896	158,113	138,137
One to two years	172,315	162,495	147,108
Two to five years	518,234	487,484	476,822
Over five years	–	255,743	437,744
	859,445	1,063,835	1,199,811
Unamortised loan arrangement fee	(4,667)	(5,874)	(6,840)
	854,778	1,057,961	1,192,971
Less: Amounts due within one year shown under current liabilities	(168,896)	(158,113)	(138,137)
	685,882	899,848	1,054,834

Bank loan is secured by a mortgage over Great China Group and Great China's investment property with fair value of approximately MOP2,210,174,000 and buildings and leasehold improvements with net book values of approximately MOP548,891,000 and prepaid lease payments with carrying amounts of approximately MOP150,431,000 as at 31 March 2010 respectively. Interest on bank loan is charged at 2.08% to 2.32% (31 December 2008: 3.55% to 5.05% and 31 December 2007: 7.19%) per annum and have fixed repayment terms.

29. DEFERRED TAXATION

GREAT CHINA GROUP AND GREAT CHINA

The following is the major deferred tax liabilities recognized by Great China Group and Great China during the Relevant Periods:

	Revaluation of investment property
	MOP'000
At 1 January 2007	167,275
Charge to consolidated statement of comprehensive income for the year	46,968
At 31 December 2007 and at 1 January 2008	214,243
Credit to consolidated statement of comprehensive income for the year	(46,968)
At 31 December 2008 and at 1 January 2009	167,275
Credit to consolidated statement of comprehensive income for the period	(15,055)
At 31 March 2010	152,220

30. LOANS FROM SHAREHOLDERS

GREAT CHINA GROUP AND GREAT CHINA

	At 31 March	**At 31 December**	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
More Profit International Limited	267,955	198,904	198,904
Fast Profit Investments Limited	187,568	198,904	198,904
Ace Win Global Limited	80,387	–	–
	535,910	397,808	397,808

Loan from shareholders are unsecured, interest charged at 5% per annum and have no fixed repayment terms. In the opinion of the directors of Great China, the fair value of the loans from shareholders at the end of each reporting periods were approximate to the corresponding carrying amounts.

31. QUOTA CAPITAL

GREAT CHINA

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Capital issued and fully paid	100	100	100

32. RESERVES

GREAT CHINA GROUP

Details of movements in Great China Group's reserves are set out in the consolidated statements of changes in equity.

GREAT CHINA

	Quota capital	Legal reserve	Retained profits/ (Deficit)	Total
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*
Balance at 1 January 2007	100	–	1,325,516	1,325,616
Appropriation from prior year's profit	–	50	(50)	–
Dividend paid	–	–	(114,330)	(114,330)
Total comprehensive income for the year	–	–	470,897	470,897
At 31 December 2007 and At 1 January 2008	100	50	1,682,033	1,682,183
Total comprehensive income for the year	–	–	(188,881)	(188,881)
At 31 December 2008 and At 1 January 2009	100	50	1,493,152	1,493,302
Total comprehensive income for the period	–	–	(148,747)	(148,747)
At 31 March 2010	100	50	1,344,405	1,344,555

33. NOTE TO CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2010, Great China acquired 100% equity interest in Grand Waldo Hotel Limited ("GW Hotel") and Carnival Club Limited ("Carnival) at a consideration of MOP1 and MOP1 respectively.

Set out below is the details of GW Hotel and Carnival upon completion of the acquisition.

	GW Hotel	Carnival	Total
	MOP'000	*MOP'000*	*MOP'000*
NET ASSETS ACQUIRED			
Property, plant and equipment	18,197	2,848	21,045
Inventories	1,144	–	1,144
Trade and other receivables	10,465	472	10,937
Amount due from related companies	–	2,569	2,569
Bank balances and cash	11,209	1,383	12,592
Trade and other payables	(17,550)	(905)	(18,455)
Amount due to related companies	(12,126)	(3,519)	(15,645)
	11,339	2,848	14,187
Total consideration*	–	–	–
Excess over the cost of business combination	11,339	2,848	14,187

SATISFY BY

	GW Hotel	Carnival	Total
	MOP	*MOP*	*MOP*
Cash consideration	1	1	2

Net cash inflows arising on acquisition:

	GW Hotel	Carnival	Total
	MOP	*MOP*	*MOP*
Cash consideration	–	–	–
Bank balances and cash acquired	11,209	1,383	12,592
Net inflow of cash and cash equivalents in respect of the acquisition of subsidiaries	11,209	1,383	12,592

* Consideration for acquisitions of GW Hotel and Carnival was MOP1 and MOP1 respectively.

The acquirees' carrying amount of net assets before combination approximates to its fair values. Accordingly, no fair value adjustments are required. GW Hotel contributed to Great China Group's loss before taxation by approximately of profit MOP6,176,620 and Carnival contributed to Great China Group's loss before taxation by approximately of loss MOP2,982,000 from the date of acquisition to 31 March 2010.

34. MAJOR NON-CASH TRANSACTION

For the period ended 31 March 2010, imputed finance costs of approximately MOP76,817,000 (31 December 2008: Nil and 31 December 2007: Nil) was accrued for loans from shareholders.

35. OPERATING LEASES COMMITMENTS

GREAT CHINA GROUP AND GREAT CHINA

Great China Group and Great China as lessor

The investment property held has committed tenant for 1 to 5 years.

At the end of each reporting dates, Great China Group and Great China had contracted with tenants for the following future minimum leases payments which fall due as follows:

	At 31 March	At 31 December	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Within one year	33,554	25,221	206,000
Within two to five years inclusive	23,901	33,448	635,167
	57,455	58,669	841,167

Great China Group and Great China as lessee

Great China Group and Great China did not have any significant lease commitment as at the end of each reporting periods.

36. CAPITAL COMMITMENT

Great China Group and Great China had outstanding capital commitment as follows:

	At 31 March	At 31 December	
	2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Commitment related to innovation of leasehold properties	4,450	–	–

37. PLEDGE OF ASSETS

At 31 March 2010, Great China Group has pledged investment property with fair value of approximately MOP2,210,174,000, buildings and leasehold improvement with net book values of approximately MOP324,720,000 and MOP224,171,000 respectively and prepaid lease payments with carrying amounts of approximately MOP150,431,000 (31 December 2008: investment property of approximately MOP3,090,000,000 and 31 December 2007: investment property of approximately MOP3,481,400,000) as securities for the bank loans granted to Great China Group.

38. RELATED PARTY TRANSACTIONS

(a) Transaction with related parties

	For the period from 1 January 2009 To 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Rental and building management income from related companies	128,314	206,000	194,203
Management income received from a related companies	17,750	–	–
Building management fee paid to from related companies	–	–	2,472
Loan interest accrued for loans from shareholders	76,817	–	–
Rental deposits received from a related company	–	34,333	34,333
Disposal of subsidiaries to a shareholder	–	–	2,000

In addition, Great China acquired subsidiaries from a shareholder at a consideration of MOP2 for the period from 1 January 2009 to 31 March 2010. Details of acquisition is disclosed in note 33 to the Financial Information.

In the opinion of the directors, the above transactions were undertaken in the normal course of business activities and on normal commercial terms.

Balances with related parties are disclosed in note 23, 26, 27 and 30 to the Financial Information respectively.

39. EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place within Great China Group subsequent to 31 March 2010.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by Great China or any of its subsidiaries in respect of any period subsequent to 31 March 2010.

Yours faithfully
W. H. Tang & Partners CPA Limited
Certified Public Accountants
Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GREAT CHINA GROUP

For the year ended 31 December 2007

Business review

Great China is engaged in the business of property investment during the year. No segmental information is disclosed as all the business transactions were derived from operation in Macau.

Great China has disposed of its wholly owned subsidiaries, Grand Waldo and Carnival, to a related company at a consideration of MOP2,000,000, as a result of shareholders' restructuring completed in February 2007. Hence, Great China has not prepared consolidated financial statements for the year ended 31 December 2007 in accordance with the requirements of Hong Kong Accounting Standard 27 "Consolidated and separate financial statements" issued by the Hong Kong Institute of Certified Public Accountants as in the opinion of the directors of Great China, it would involve expense and delay out of proportion to the value to the members of Great China.

The Directors have evaluated the potential implication of this and considered that there is not material adverse effect on the acquisition by the Company under the Great China Agreement since Great China disposed of all its subsidiaries on 17 January 2007, and therefore preparation of consolidated financial statements for such year would be unduly expensive and burdensome. The Directors also considered that non-preparation of such consolidated financial statement would not prevent the shareholders and potential investors of the Company from making an informed decision on, among others, the merits of the Acquisition Agreements.

Financial result, financial position and capital structure

The turnover of MOP209 million represented the rental income and management fee income. Together with the administrative expenses and finance costs of MOP80 million and an increase in fair value of investment property of MOP391 million, Great China made a net profit of MOP471 million for the year.

As at 31 December 2007, Great China's non-current assets stood at MOP3,482 million mainly consisted of the investment property. The current assets stood at MOP99 million mainly consisted of the bank balances and amounts due from related companies, whilst the current liabilities stood at MOP197 million mainly consisted of trade and other payables, amount due to holding company and current portion of a mortgage bank loan. The major sources of funding came from a mortgage bank loan and loans from shareholders. The loan from shareholders recorded a balance of MOP398 million which is unsecured, non-interest bearing at per annum and has no fixed repayment term.

As at 31 December 2007, Great China had a mortgage bank loan of approximately MOP1,193 million. The sole purpose of the borrowing is to finance the investment property of Great China. The banking facilities were secured by a mortgage over Great China's investment property with fair value of MOP3,481 million and interest charged at 5.89% to 7.19% per annum and is repayable by monthly instalments. The bank borrowing is made in HKD.

Contingent liabilities and capital commitments

Great China had no contingent liabilities or capital commitment.

Employment and remuneration policy

As Great China is an investment property holding company there was no staff employed as at 31 December 2007.

Others

Great China's investment property is pledged to banks for a mortgage loan granted to Great China.

Since Great China had most of the transactions, monetary assets and liabilities denominated in MOP or HKD, its exposure to foreign currency risk is minimal.

As at 31 December 2007, the gearing ratio of Great China, calculated at total external borrowings divided by shareholders' funds, was 70.9%.

Great China had no significant investment nor material acquisitions of subsidiaries and associated companies. Great China had disposed of subsidiaries at a consideration of MOP 2 million for the year ended 31 December 2007.

Future plan and prospects

After restructuring of Great China taken place in February 2007, Great China would receive a rental income of MOP200 million per year for five years. The management is optimistic about the property investment in Macau in a long term capital appreciation.

For the year ended 31 December 2008

Business review

Great China is engaged in the business of property investment during the year. No segmental information is disclosed as all the business transactions were derived from operation in Macau.

Financial result, financial position and capital structure

The turnover of MOP206 million (2007: MOP209 million) represented the rental income and management fee income. Together with the administrative and finance expenses of MOP50 million (2007: MOP80 million) and a decrease in fair value of investment property of MOP391 million (2007: an increase in fair value of investment property of MOP391 million), Great China suffered a net loss of MOP189 million (2007: a net profit of MOP471 million) for the year.

During the year, Great China's non-current assets stood at MOP3,090 million (2007: MOP3,482 million) mainly consisted of the investment property. The current assets stood at MOP64 million (2007: MOP99 million) mainly consisted of the bank balances, other receivables, amounts due from related companies, whilst the current liabilities stood at MOP162 million (2007: MOP197 million) mainly consisted of trade and other payables and current portion of a mortgage bank loan. The major sources of funding came from loans from shareholders and a mortgage bank loan. The loan from shareholders recorded a balance of MOP398 million (2007: MOP398 million) which is unsecured, non-interest bearing and has no fixed repayment term.

As at 31 December 2008, Great China had an outstanding mortgage bank loan of approximately MOP1,058 million (2007: MOP1,193 million). The sole purpose of the bank borrowing is to finance the investment property. The banking facilities were secured by a mortgage over Great China's investment property with fair value of MOP3,090 million (2007: MOP3,481 million) and interest charged at 3.55% to 5.05% per annum and is repayable by monthly instalments. The bank borrowing is made in HKD.

Contingent liabilities and capital commitments

Great China had no contingent liabilities or capital commitment.

Others

Great China's investment property is pledged to banks for a mortgage loan granted to Great China.

Since Great China had most of the transactions, monetary assets and liabilities denominated in MOP or HKD, its exposure to foreign currency risk is minimal.

Great China had no staff for the year under review.

As at 31 December 2008, the gearing ratio of Great China, calculated at total external borrowings divided by shareholders' funds, was 70.9% (2007: 70.9%).

Great China had no significant investment, nor material acquisitions and disposal of subsidiaries and associated companies.

Future plan and prospects

Due to financial tsunami in 2008, which adversely affected global economy, shareholders of Great China planned to restructure the operation of Great China with a view to enable Great China to sustain the value of the property it held.

For the 15-month period from 1 January 2009 to 31 March 2010

Business review

By a shareholders' resolution passed on 14 September 2009, Great China has changed its financial year end from 31 December to 31 March.

On 28 July 2009, Great China acquired the entire equity interest in Grand Waldo and Carnival at a total consideration of HK$2. Since then the result, assets and liabilities of Grand Waldo and Carnival are 100% consolidated to the books of Great China.

Great China Group is engaged in the business of property investment, operation of the Hotel and spa during the period. No segmental information is disclosed as all the business transactions were derived from operation in Macau.

During the period, the minimum annual rental income of HK$200 million received by Great China was terminated as a result of restructuring of shareholdings of Great China. In return, Great China acquired Grand Waldo and Carnival at HK$2 only and commenced to be engaged in operation of hotel and spa business. Although Great China no longer receives a stable rental income of HK$200 million per year, the termination of the arrangement allowed Great China to revamp the whole strategy on leasing of the Hotel and the operation of the Hotel and spa business, which may further lead to a potential capital gain on the Property. Hence, the directors of Great China consider that the termination of the minimum rental income of HK$200 million has beneficial impact on Great China Group's business in a long term.

Financial result, financial position and capital structure

The turnover of MOP230 million (year ended 31-12-2008: MOP206 million) represented the rental income of MOP138.5 million (year ended 31-12-2008: MOP206 million) and revenues from operation of the Hotel of MOP85.8 million (year ended 31-12-2008: Nil) as well as revenues from operation of Spa of MOP6 million (year ended 31-12-2008: Nil). The significant change in revenues mix is the result of termination of the minimum rental income guarantee of HK$200 million per annum and acquisition of Grand Waldo and Carnival in late July 2009. Together with the administrative expenses and finance costs of MOP248 million (year ended 31-12-2008: MOP50 million), and decrease in fair value of investment property of MOP125 million (year ended 31-12-2008: MOP391.4 million), Great China Group made a net loss of MOP133 million (year ended 31-12-2008: a net loss of MOP189 million) for the period. The significant increase in administrative costs is mainly due to increase in depreciation in current period resulting from reclassification of a portion of investment properties to property and equipment, and consolidating operation overhead incurred in Grand Waldo and Carnival by Great China since it acquired 100% interest in these companies in late July 2009.

As at 31 March 2010, Great China Group's non-current assets stood at MOP2,921 million (at 31-12-2008: MOP3,090 million) mainly consisted of the investment property and property plant and equipment. During the period, a portion of investment properties amounting to MOP754 million were reclassified to property and equipments and prepaid lease payments, representing certain portion of the Property occupied by Grand Waldo and Carnival for their own business operation. The current assets stood at MOP63 million (at 31-12-2008: MOP64 million) mainly consisted of the bank balances, other receivables, and current portion of prepaid lease, whilst the current liabilities stood at MOP249 million (at 31-12-2008: MOP162 million) mainly consisted of trade and other payables, amount due to a related company and current portion of mortgage bank loan. The major sources of funding came from loans from shareholders and a mortgage bank loan. The loans from shareholders recorded a balance of MOP536 million (At 31-12-2008: MOP398 million) which is unsecured, interest bearing at 5.0% per annum and has no fixed repayment term. Increase in shareholder's loans is mainly due to further cash advance from Great China's shareholders.

As at 31 March 2010, Great China Group had an outstanding mortgage bank loan of approximately MOP855 million (at 31-12-2008: MOP1,058 million). The sole purpose of the borrowing is to finance the investment property of Great China. The banking facilities were secured by a mortgage over Great China's investment property, buildings and prepaid leases with total carrying values of MOP2,909 million (at 31-12-2008: MOP3,090 million) and interest charged at 2.08% to 2.32% per annum and is repayable by monthly instalments. The bank borrowing is made in HKD.

Contingent liabilities and capital commitments

As at 31 March 2010, Great China had no contingent liabilities, but it had a capital commitment of MOP4.9 million.

Major acquisitions

On 28 July 2009, Great China acquired the entire equity interest in Grand Waldo and Carnival at a total consideration of HK$2.

Others

Great China's investment property, building and prepaid lease are pledged to banks for a mortgage loan granted to Great China.

Since Great China Group had most of the transactions, monetary assets and liabilities denominated in MOP or HKD, its exposure to foreign currency risk is minimal.

As at 31 March 2010, the Great China Group had 453 staff. Total staff costs for the period were MOP53.1 million (year ended 31-12-2008: Nil). The remuneration policy was reviewed in line with the market conditions, current legislation and the performance of the individual employee.

As at 31 March 2010, the gearing ratio of Great China Group, calculated at external borrowings divided by shareholders' funds, was 62.8% (at 31-12-2008: 70.9%).

Future plan and prospects

The management is optimistic about the property investment in Macau in a long term to earn rental income and/or capital appreciation, especially in Cotai area with the emerging project of Galaxy resort which is just opposite to the location of the investment property which will soon open in early 2011.

The directors of Great China has implemented various renovation work to increase its varieties to attract different visitors to the Hotel, including but not limited to expansion of the spa capacity, conversion of previous casino block into a multi-purpose block and enhancement of different kind of restaurants in the Hotel. The required capital investment will be financed by its internal resources, shareholders loans and/or external borrowings (if the directors of Great China consider it is cost effective to raise new bank loan).

1. ACCOUNTANTS' REPORT ON GW ENTERTAINMENT

The following is the text of a report from WH Tang & Partners CPA Limited, the independent reporting accountants, in respect of the accountants' report on GW Entertainment prepared for the sole purpose of inclusion in this circular.

31 July 2010

The Directors
Get Nice Holdings Limited
10th Floor,
Cosco Tower,
Grand Millennium Plaza,
183 Queen's Road Central,
Hong Kong.

Dear Sirs,

We set our below our report on the financial information of GW Entertainment Limited ("GW Entertainment") including the statements of financial position of GW Entertainment as at 31 December 2007, 31 December 2008 and 31 March 2010, statement of comprehensive income, statements of cash flows and statement of changes in equity for the years ended 31 December 2007, 31 December 2008 and for the period from 1 January 2009 to 31 March 2010 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory notes thereto (collectively referred to as the "Financial Information") for inclusion in the circular dated 31 July 2010 ("Circular") issued by Get Nice Holdings Limited (the "Company") in connection with the very substantial acquisition and connected transactions relating to acquisition of 15% interest in Great China Company Limited and GW Entertainment.

GW Entertainment was incorporated in Macau with limited liability on 29 July 2005 and principally engaged in the business of marketing and administration of business promotion of the Casino at Grand Waldo Hotel, Macau since commencing business on 14 August 2008.

No audited financial statements of GW Entertainment have been prepared since its incorporation date as there are no statutory requirement for GW Entertainment to prepare audited financial statements.

According to a shareholders' resolution dated 14 September 2009, financial year end of GW Entertainment has been changed from 31 December to 31 March with effect from 1 January 2009.

BASIS OF PREPARATION

The Financial Information has been prepared by the directors of GW Entertainment based on the financial statements for the Relevant Periods (the "Underlying Financial Statements"), on the basis as set out in note 2 below. The Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The Financial Information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and accounting principles generally accepted in Hong Kong.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of GW Entertainment are responsible for the preparation of the Financial Information which are free from material misstatement and give a true and fair view. The directors of the Company are responsible for the contents of the Circular in which this report is included. In preparing the Financial Information which gives a true and fair view, it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable in the circumstances. It is our responsibility to form an independent opinion, based on our audit, on the Financial Information and to report our opinion to you.

REPORTING ACCOUNTANTS' RESPONSIBILITY

As a basis for forming an opinion on the Financial Information, we have carried out appropriate audit procedures in respect of the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and carried out such additional procedures as we considered necessary in accordance with the Auditing Guideline – Prospectuses and the Reporting Accountant (Statement 3.340) issued by the HKICPA. No adjustments are considered necessary in respect of the Underlying Financial Statements for the preparation of the Financial Information.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Information. It also includes an assessment of the significant estimates and judgements made by the directors of GW Entertainment in the preparation of the Financial Information, and of whether the accounting policies are appropriate to GW Entertainment's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the Financial Information is free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of the Financial Information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, for the purpose of this report, the Financial Information gives a true and fair view of the state of affairs of the GW Entertainment as at 31 December 2007, 31 December 2008 and 31 March 2010 and of the results and cash flows of the GW Entertainment for each of the Relevant Periods.

Emphasis of matter – Material uncertainty regarding the going concern assumption

Without qualifying our opinion, we draw your attention to note 2 to the Financial Information concerning the adoption of the going concern basis on which the Financial Information has been prepared. GW Entertainment had incurred a loss attributable to equity shareholders of GW Entertainment of approximately MOP164,436,000 and MOP97,663,000 for the period from 1 January 2009 to 31 March 2010 and for the year ended 31 December 2008 respectively. This condition, along with other matters as disclosed in note 2 to the Financial Information, indicate the existence of a material uncertainty which may cast doubt about GW Entertainment's ability to continue as a going concern.

I. FINANCIAL INFORMATION

Statements of Comprehensive Income

	Note	For the period from 1 January 2009 to 31 March 2010	Year ended 31 December 2008	2007
		MOP'000	*MOP'000*	*MOP'000*
Revenue	8	881,134	273,385	–
Other revenue	9	5,201	4,086	2,523
Depreciation		(440)	–	–
Amortisation of other assets		(63,600)	(10,023)	–
Commission expenses		(579,961)	(214,101)	–
Staff costs		(1,388)	(25,624)	–
Administrative expenses		(375,028)	(125,386)	(1,218)
(Loss) profit from operations		(134,082)	(97,663)	1,305
Finance costs	10	(30,354)	–	–
(Loss) profit before taxation	11	(164,436)	(97,663)	1,305
Income tax expenses	12	–	–	(130)
(Loss) profit for the period/year and total comprehensive income for the period/year		(164,436)	(97,663)	1,175

Statements of Financial Position

		As at 31 March	As at 31 December	
		2010	2008	2007
	Note	*MOP'000*	*MOP'000*	*MOP'000*
Non-current assets				
Property, plant and equipment	16	30,293	–	–
Other assets	17	55,355	108,767	–
Long term receivables		27,015	–	–
Deposit in advance		82,400	–	–
		195,063	108,767	–
Current assets				
Other receivables		3,235	380	10,102
Amount due from related companies	18	54,759	–	–
Bank balances and cash	19	23,825	242	57,564
		81,819	622	67,666
Current liabilities				
Accruals and other payables		12,402	62,123	14,430
Tax payables		372	372	372
Bank overdraft	19	4,483	2,054	–
		17,257	64,549	14,802
Net current assets (liabilities)		64,562	(63,927)	52,864
Total assets less current liabilities		259,625	44,840	52,864
Non-current liabilities				
Loans from immediate holding companies	20	517,001	137,780	48,141
NET (LIABILITIES) ASSETS		(257,376)	(92,940)	4,723
Capital and reserves				
Quota capital	21	1,000	1,000	1,000
Reserves		(258,376)	(93,940)	3,723
TOTAL EQUITY		(257,376)	(92,940)	4,723

Statements of Changes in Equity

	Attributable to equity shareholders of GW Entertainment		
	Quota capital	**Retained profits (Deficit)**	**Total**
	MOP'000	*MOP'000*	*MOP'000*
Balance at 1 January 2007	1,000	2,548	3,548
Total comprehensive income for the year	–	1,175	1,175
At 31 December 2007 and at 1 January 2008	1,000	3,723	4,723
Total comprehensive income for the year	–	(97,663)	(97,663)
At 31 December 2008 and at 1 January 2009	1,000	(93,940)	(92,940)
Total comprehensive income for the period	–	(164,436)	(164,436)
At 31 March 2010	1,000	(258,376)	(257,376)

Statements of Cash Flows

	For the period from 1 January 2009 to 31 March 2010	Year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
OPERATING ACTIVITIES			
(Loss) profit before taxation	(164,436)	(97,663)	1,305
Adjustments for:			
Interest income	(1,546)	(1,008)	(2,523)
Finance costs	30,354	–	–
Loss on disposal of other assets	774	–	–
Depreciation of property, plant and equipment	440	–	–
Amortization of other assets	63,600	10,023	–
Operating cash flows before movements in working capital	(70,814)	(88,648)	(1,218)
(Increase) decrease in other receivables	(2,855)	10,457	(226)
Increase in long term receivable	(41,200)	–	–
Increase in deposit in advance	(82,400)	–	–
(Decrease) increase in accruals and other payables	(49,721)	47,693	(4,967)
NET CASH USED IN OPERATING ACTIVITIES	(246,990)	(30,498)	(6,411)
INVESTING ACTIVITIES			
Interest received	683	273	2,523
Payments to acquire property, plant and equipment	(30,733)	–	–
Payments to acquire other assets	(10,962)	–	–
Increase in amount due from related companies	(54,759)	–	–
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(95,771)	273	2,523
FINANCING ACTIVITIES			
Increase (decrease) in loans from immediate holding companies	363,915	(29,151)	(70,833)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	363,915	(29,151)	(70,833)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	21,154	(59,376)	(74,721)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	(1,812)	57,564	132,285
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	19,342	(1,812)	57,564

II. NOTES TO FINANCIAL INFORMATION

1. GENERAL INFORMATION

Grand Waldo Entertainment Limited ("GW Entertainment") is a private company incorporated in Macau with limited liability. The registered address and principal place of business of GW Entertainment is located at Sul da Marina Taipa – Sul Rotnda do Dique Oeste, Taipa, em Macau.

The Financial Information of the Relevant Periods is presented in Macanese Pataca ("MOP"), being the functional currency of GW Entertainment.

GW Entertainment is principally engaged in the business for marketing and administration of business promotion of the Casino at Grand Waldo Hotel, Macau during the Relevant Periods.

2. BASIS OF PREPARATION

The Financial Information has been prepared in accordance with HKFRSs (including all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA. The Financial Information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Listing Rules.

GW Entertainment had incurred a loss attributable to equity shareholders of GW Entertainment of approximately MOP164,436,000 and MOP97,663,000 for the period from 1 January 2009 to 31 March 2010 and for the year ended 31 December 2008 respectively. In spite of these, the Financial Information has been prepared on a going concern basis since certain of the beneficial owners of GW Entertainment have agreed to provide adequate funds to enable GW Entertainment to meet in full its financial obligations as they fall due.

Should GW Entertainment be unable to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which might arise. These adjustments have not yet been reflected in the Financial Information.

For the purpose of preparing the Financial Information, GW Entertainment has adopted all applicable HKFRSs that are relevant to GW Entertainment and are effective for the accounting period beginning 1 January 2009 throughout the Relevant Periods to the extent required by HKFRSs.

At the date of issue of this Financial Information, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by GW Entertainment. The directors of GW Entertainment anticipate that all of the pronouncements will be adopted in GW Entertainment for the first period beginning after the effective date of the pronouncement. Information on new and revised HKFRSs that are expected to have impact on GW Entertainment's accounting policies is provided below:

(i) HKFRS 9 Financial instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in statement of comprehensive income except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on GW Entertainment's results and financial position in the first year of application.

(ii) Annual improvements 2009

The HKICPA has issued Improvements to Hong Kong Financial Reporting Standards 2009. Most of the amendments become effective for annual periods beginning on or after 1 January 2010. The directors expect the amendment to HKAS 17 "Leases" to be relevant to GW Entertainment's accounting policies. Prior to the amendment, HKAS 17 generally required a lease of land to be classified as an operating lease. The amendment requires a lease of land to be classified as an operating or finance lease in accordance with the general principles in HKAS 17. GW Entertainment will need to reassess the classification of its unexpired leases of land at 1 January 2010 on the basis of information existing at the inception of those leases in accordance with the transitional provisions for the amendment. The amendment will apply retrospectively except where the necessary information is not available. In that situation, the leases will be assessed on the date when the amendment is adopted. The directors are currently assessing the possible impact of the amendment on the GW Entertainment's results and financial position in the first year of application.

Certain other new and revised HKFRSs have been issued but are not expected to have a material impact to GW Entertainment's financial statements.

The significant accounting policies that have been used in the preparation of the Financial Information are set out in note 3. These policies have been consistently applied throughout the Relevant Periods unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 General

The Financial Information has been prepared under historical cost convention as explained in the accounting policies set out below.

It should be noted that accounting estimates and assumptions are used in the preparation of the Financial Information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in note 4.

3.2 Foreign currency translation

In the individual financial statements of the entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in the statements of comprehensive income.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.3 Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost, which comprise purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use, less accumulated depreciation and any impairment losses *(note 3.4)*. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to GW Entertainment and the cost of the item can be measured reliably. All other costs such as repairs and maintenance are charged to the statements of comprehensive income when they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to write off the cost of property, plant and equipment, less any estimated residual values, over the following estimated useful lives:

Leasehold improvement	10% p.a.
Furniture and fixture	25% p.a.
Other assets	10% p.a. – 33.33% p.a.

Depreciation for items of property, plant and equipment commences when the asset is first available for use. The assets' depreciation methods, estimated useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date.

The gain or loss on retirement or disposal of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statements of comprehensive income.

3.4 Impairment of tangible assets

At the end of each reporting period, GW Entertainment reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, GW Entertainment estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

GW Entertainment as lessor

Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the relevant lease.

GW Entertainment as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

3.6 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to GW Entertainment and the revenue and costs, if applicable, can be measured reliably and on the following basis:

Services income is recognized when the corresponding services are performed.

Interest income from bank deposits is accrued on a time apportionment basis on the principal outstanding and at the interest rate applicable.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as and included in finance costs in the income statement in the period in which they are incurred.

3.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible. GW Entertainment's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where GW Entertainment is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which GW Entertainment expects, at the end of the reporting period, the recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

3.9 Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as expenses when employees have rendered the service entitling them to the contributions.

3.10 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.10.1 Financial assets

GW Entertainment's financial assets are classified into loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets of GW Entertainment are assessed for indicators of impairment at the end of the reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For all financial assets of GW Entertainment, objective evidence of impairment could include:

- significant financial difficulty of the counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as debtors, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of debtors, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a debtor balance is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in the investment revaluation reserve. For available for sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3.10.2 Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of GW Entertainment after deducting all of its liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities (including accruals and other payables, bank overdraft and loans from immediate holding companies) are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

Equity instruments issued by GW Entertainment are recorded at the proceeds received, net of direct issue costs.

3.10.3 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and GW Entertainment has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.11 Provision, contingent liabilities and contingent assets

Provisions are recognized when GW Entertainment has a present legal or obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate amount can be made. Where GW Entertainment expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of GW Entertainment. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognized but is disclosed in the notes to the financial information. When a change in probability of an outflow occurs so that outflow is probable, they will then be recognized as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of GW Entertainment. Contingent assets are not recognized but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

3.12 Related parties

For the purpose of this Financial Information, a party is considered to be related to GW Entertainment if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control GW Entertainment or exercise significant influence over GW Entertainment in making financial and operating policy decisions, or has joint control over GW Entertainment;

(ii) GW Entertainment and the party are subject to common control;

(iii) the party is an associate of GW Entertainment or a joint venture in which GW Entertainment is a venturer;

(iv) the party is a member of key management personnel of GW Entertainment or its parent or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of GW Entertainment, or of any entity that is a related party of GW Entertainment.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3.13 Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and demand deposits with banks. For the purpose of the statements of cash flow presentation, cash and cash equivalents include bank overdrafts which form an integral part of GW Entertainment's cash management.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of GW Entertainment's accounting policies, which are described in note 3, the directors of the GW Entertainment are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgement in applying the entity's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that the directors of GW Entertainment have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the Financial Information.

Estimated useful lives of property, plant and equipment

Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives. The estimation of useful lives of the depreciable assets is based on the experience of the management, and useful lives are reviewed at each reporting date based on changes in circumstances. When useful lives of property, plant and equipment are different from that previously estimated, the depreciation charges for future periods will be adjusted accordingly

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the future financial year.

4.3 Going concern basis

The assessment of the going concern assumption involves making judgement by the directors of GW Entertainment, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors of the GW Entertainment consider that GW Entertainment has the ability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

5. CAPITAL RISK MANAGEMENT

GW Entertainment manages its capital to ensure that entities in GW Entertainment will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. GW Entertainment's overall strategy remains unchanged from prior year.

The capital structure of the GW Entertainment consists of debt, which includes the borrowings disclosed in note 20, and equity attributable to owners of GW Entertainment, comprising issued quota capital and reserves.

The directors of the GW Entertainment review the capital structure on a regular basis. As part of this review, the directors of GW Entertainment consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of GW Entertainment, GW Entertainment will balance its overall capital structure through the payment of dividends, new share issues and issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at	As at 31 December	
	31 March 2010	**2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Financial assets			
Loans and receivables (including cash and cash equivalents)	186,751	622	67,666
Financial liabilities			
Amortized cost	529,403	201,957	62,571

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

GW Entertainment's major financial instruments include other receivables, bank balances and cash, accruals and other payables, bank overdrafts and loan from immediate holding companies. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. GW Entertainment is exposed to credit risk from its operating activities (primarily for other receivables) and from its financing activities, including deposits with banks and financial institutions.

In order to minimize the credit risk related to its operating activities, GW Entertainment reviews the recoverable amount of each individual trade debt at balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts.

The credit risk from its financing activities is limited because the counterparties are authorized banks in Hong Kong and Macau.

Interest rate risk

GW Entertainment has exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits and loan from intermediate holding companies.

GW Entertainment's fair value interest rate risk relates primarily to its variable rate bank loan. GW Entertainment currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

As GW Entertainment does not have significant variable interest bearing assets and liabilities, in the opinion of its directors, GW Entertainment does not expose to interest rate risk and sensitivity analysis of interest rate risk is considered not necessary.

Currency risk

Certain financial assets and liabilities of GW Entertainment are denominated in Hong Kong dollar. GW Entertainment does not have a foreign currency hedging policy. However, the exchange rate of MOP against Hong Kong dollar is relatively stable; accordingly, no sensitivity analysis has been presented on the currency risk. The management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Liquidity risk

In the management of the liquidity risk, GW Entertainment monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the GW Entertainment's operations and mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of GW Entertainment's financial liabilities as at each of the reporting dates based on contractual undiscounted payments.

	Carrying amounts	Total contractual undiscounted cash flow	Less than 1 year	Between 1 2 years	Between 2 to 5 years	Over 5 years
	MOP'000	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*	*MOP'000*
31 March 2010						
Accruals and other payable	12,402	12,402	12,402	–	–	–
Bank overdraft	4,483	4,483	4,483	–	–	–
Loans from immediate holding companies	517,001	619,300	–	47,032	70,547	501,721
	533,886	636,185	16,885	47,032	70,547	501,721
31 December 2008						
Accruals and other payables	62,123	62,123	62,123	–	–	–
Loans from immediate holding company	137,780	137,780	–	137,780	–	–
Bank overdraft	2,054	2,054	2,054	–	–	–
	201,957	201,957	64,177	137,780	–	–
31 December 2007						
Accruals and other payables	14,430	14,430	14,430	–	–	–
Loans from immediate holding company	48,141	48,141	–	48,141	–	–
	62,571	62,571	14,430	48,141	–	–

7. SEGMENT INFORMATION

No business segment analysis is presented as the turnover and results of GW Entertainment are wholly contributed from its operation in Macau. GW Entertainment is principally engaged in the business for marketing and administration of business promotion of the Casino. There is no other business sectors during the Relevant Periods.

As at the respective end of each reporting period, the identifiable assets of GW Entertainment are all located in Macau. Accordingly, no analysis on carrying amount of segment assets is presented.

8. REVENUE

Revenue represents the amount received and receivable for services provided, during the Relevant Periods.

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Revenue for the period/year comprises:			
Service income	881,134	273,385	–

9. OTHER REVENUE

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Interest income	1,546	1,008	2,523
Sundry income	3,655	3,078	–
	5,201	4,086	2,523

10. FINANCE COSTS

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Imputed finance costs on amount due from immediate holding companies	15,306	–	–
Imputed finance costs on long term receivable	15,048	–	–
	30,354	–	–

11. (LOSS) PROFIT BEFORE TAXATION

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	MOP'000	*MOP'000*	*MOP'000*
(Loss) profit before taxation has been arrived at after charging:			
Directors' remuneration	–	3,064	–
Auditors' remuneration	–	–	–
Amortization of other assets	63,600	10,023	–
Depreciation of property, plant and equipment	440	–	–
Staff costs	1,388	25,624	–
Rental expenses under operating leases	76,400	303	–
Loss on disposal of other assets	774	–	–
and after crediting:			
Bank interest income	1,546	1,008	2,523

12. INCOME TAX EXPENSES

(a) Income tax

Macau Complementary Tax has been provided at the applicable tax rate on the estimated assessable profits for the year ended 31 December 2007. No profits tax has been provided for year ended 31 December 2008 and for the period from 1 January 2009 to 31 March 2010, as GW Entertainment incurred tax losses. No deferred tax asset has been recognized in respect of the tax loss due to unpredictability of future profits stream.

Reconciliation between (loss) profit before taxation at applicable tax rate is as follows:

	For the period from 1 January 2009 to 31 March 2010	**For the year ended 31 December 2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
(Loss) Profit before taxation	(164,436)	(97,663)	1,305
At Macau Complementary tax rate	(19,732)	(11,720)	130
Tax effect of tax loss not recognized	19,732	11,720	–
Income tax expenses	–	–	130

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

Of the five individuals with the highest emoluments in GW Entertainment, there were three directors of GW Entertainment for the period ended 31 March 2010 (year ended 31 December 2008: 3, year ended 31 December 2007: Nil). The emolument of the five individuals were as follows:

	For the period from 1 January 2009 to 31 March 2010	**For the year ended 31 December 2008**	**2007**
Number of remaining individuals	2	2	–

	For the period from 1 January 2009 to 31 March 2010	**For the year ended 31 December 2008**	**2007**
	MOP'000	*MOP'000*	*MOP'000*
Salaries and other benefits	946	1,608	–
Contribution to retirement schemes	3	18	–
	949	1,626	–

The emoluments fell with the following bands:

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December 2008	2007
	No. of individuals	*No. of individuals*	*No. of individuals*
Emolument bands			
Nil – MOP1,000,000	2	1	–
MOP1,000,001 – MOP2,000,000	–	1	–

14. DIVIDENDS

No dividends have been paid or proposed by GW Entertainment since its incorporation.

15. (LOSS) EARNINGS PER SHARE

No (loss) earnings per share information is presented as it is not considered meaningful for the purpose of this report.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement	Furniture and fixture	Total
	MOP'000	*MOP'000*	*MOP'000*
COST			
Additions and at 31 March 2010	30,716	17	30,733
DEPRECIATION			
Charged for the period and at 31 March 2010	439	1	440
Net book values			
At 31 March 2010	30,277	16	30,293

17. OTHER ASSETS

	Equipment
	MOP'000
COST	
Additions	118,790
At 31 December 2008 and at 1 January 2009	118,790
Additions	10,962
Disposal	(1,477)
At 31 March 2010	128,275
AMORTIZATION	
Amortized during the year	10,023
At 31 December 2008 and 1 January 2009	10,023
Amortized during the year	63,600
Eliminated on disposal	(703)
At 31 March 2010	72,920
Carrying values	
At 31 March 2010	55,355
At 31 December 2008	108,767

Other assets represent the acquisition of equipment for the Casino and the ultimate owner of the equipment is the Macau government.

18. AMOUNT DUE FROM RELATED COMPANIES

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Great China Company Limited	41,500	–	–
Grand Waldo Hotel Limited	11,823	–	–
Grand Waldo Outlets Company Limited	36	–	–
Carnival Club Limited	1,400	–	–
	54,759	–	–

Amount due from related companies are unsecured, interest free and have no fixed repayment term. In the opinion of the directors of GW Entertainment, the fair values of the amount due from related companies at the end of each reporting periods were approximate to the corresponding carrying amount.

19. CASH AND CASH EQUIVALENTS

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Deposits with banks	23,723	242	57,461
Cash in hand	102	–	103
Cash and cash equivalents in the statement of financial position	23,825	242	57,564
Bank overdraft	(4,483)	(2,054)	–
Cash and cash equivalents in the statement of cash flow	19,342	(1,812)	57,564

Included in cash and cash equivalents in the statement of financial position are the following amounts denominated in a currency other than the functional currency of GW Entertainment to which they relate:

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Hong Kong Dollar	15,744	(1,843)	55,456
United States Dollar	370	–	–

20. LOANS FROM IMMEDIATE HOLDING COMPANIES

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Wise Gain Profits Limited	242,027	137,780	48,141
Clever Switch Limited	274,974	–	–
	517,001	137,780	48,141

Loans from immediate holding companies are unsecured, interest charged at 5% per annum and have no fixed repayment terms. In the opinion of the directors of GW Entertainment, the fair values of the loans from immediate holding companies at the end of each reporting periods were approximate to the corresponding carrying amounts.

21. QUOTA CAPITAL

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Capital issued and fully paid	1,000	1,000	1,000

22. MAJOR NON-CASH TRANSACTIONS

During the period ended 31 March 2010, GW Entertainment incurred imputed interest expenses on long term receivable and loans from intermediate holding companies of approximately MOP15,048,000 and MOP15,306,000 respectively.

For the year ended 31 December 2008, GW Entertainment acquired equipment of MOP118,790,000 from its immediate holding company.

23. COMMITMENTS UNDER OPERATING LEASES

GW Entertainment as lessee

At the end of each reporting dates, GW Entertainment had commitments for future minimum leases payments under non-cancellable operating leases, which fall due as follows:

	At 31 March	At 31 December	
	2010	2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Within one year	27,192	–	–
Within two to five years inclusive	22,660	–	–
	49,852	–	–

GW Entertainment as lessor

GW Entertainment did not have any significant lease arrangement as at the end of each reporting periods.

24. RELATED PARTY TRANSACTIONS

(a) Transaction with connected or related parties

	For the period from 1 January 2009 to 31 March 2010	For the year ended 31 December	
		2008	2007
	MOP'000	*MOP'000*	*MOP'000*
Acquisition of equipment from Wise Gain Profits Limited	–	118,790	–
Rental and building management income to Great China Company Limited	111,147	–	–
Management fee paid to Grand Waldo Hotel Limited	17,750	–	–

In the opinion of the directors, the above transactions were undertaken in the normal course of business activities and on normal commercial terms.

Balance with related parties are disclosed in Note 18 and 20 to the Financial Information.

25. EVENTS AFTER THE REPORTING PERIOD

No significant events have taken place within GW Entertainment subsequent to 31 March 2010.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared for GW Entertainment has been prepared in respect of any period subsequent to 31 March 2010.

Yours faithfully,
W. H. Tang & Partners CPA Limited
Certified Public Accountants
Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS OF GW ENTERTAINMENT

For the year ended 31 December 2007

Business review

GW Entertainment was inactive during the year and did not have any business activities except it acted as a vehicle to receive funds and make payment on behalf of its holding company.

Financial result, financial position and capital structure

The revenue generated during the year was solely interest income of MOP2.5 million from bank deposits, while the major expenses incurred was entertainment of MOP1.2 million. The current assets, mainly comprised bank balances, was amounted to MOP68 million. The cash of MOP58 million largely came from the loans from immediate holding companies amounting to MOP48 million, which is unsecured, non-interest bearing and has no fixed repayment term.

GW Entertainment had no contingent liabilities nor capital commitment.

GW Entertainment has no staff during the year.

Since GW Entertainment had most of the transactions, monetary assets and liabilities denominated in MOP or HK dollars, its exposure to foreign currency risk is minimal.

GW Entertainment had no external borrowing and hence computation of gearing ratio is not applicable.

GW Entertainment had no significant investment, nor material acquisitions and disposal of subsidiaries and associated companies.

There was no charge on GW Entertainment's assets.

No segmental information is disclosed since GW Entertainment has no business operations during the year.

For the year ended 31 December 2008

Business review

In August 2008, GW Entertainment entered into the Business Agreement and its business was the implementation of the Business Agreement, pursuant to which Galaxy shall be responsible for the operation and management of the Casino and GW Entertainment shall be responsible for marketing and administration of business promotion of the Casino.GW Entertainment is also responsible to cover any cash deficit in case of a net operating loss, and is entitled to receive the balance of the gross revenue of the Casino after deducting a fee for Galaxy to operate the Casino and payment of all operating costs of the Casino. No segmental information is disclosed as all the business transactions were derived from operation in Macau.

Financial result, financial position and capital structure

The turnover of MOP273 million (2007: Nil) represented service income generated from the implementation of the Business Agreement, representing a gross incomes received by Galaxy after deducting related government tax. As a result of intense competition in Macau, GW Entertainment experienced a net loss of MOP98 million (2007: profit of MOP1.1 million). The total administrative expenses and commission expenses for operation was amounted to MOP375 million (2007: MOP1.2 million).

During the year, GW Entertainment acquired certain equipments from its holding company amounting to MOP119 million. The current assets comprised mainly other receivables and bank balance of MOP0.6 million (2007: MOP68 million), while the current liabilities consisted of mainly other payables, tax payable and bank overdraft of MOP65 million (2007: MOP15 million). The major sources of funding came from a loan from holding company of MOP138 million (2007: MOP48 million), which is unsecured, non-interest bearing and has no fixed repayment term.

Contingent liabilities and capital commitments

GW Entertainment had no contingent liabilities or capital commitment.

Employment and remuneration policy

As at 31 December 2008, the number of employees was 33 (2007: Nil). Total staff costs for the year were MOP25.6 million (2007: MOP Nil). The remuneration policy was reviewed in line with the market conditions, current legislation and the performance of the individual employee.

Others

Since GW Entertainment had most of the transactions, monetary assets and liabilities denominated in MOP or HK dollars, its exposure to foreign currency risk is minimal.

GW Entertainment had no external borrowing and hence computation of gearing ratio is not applicable.

GW Entertainment had no significant investment, nor material acquisitions and disposal of subsidiaries and associated companies.

There was no charge on GW Entertainment's assets.

Future plan and prospects

Although GW Entertainment suffered huge loss during the year, the management is optimistic about the gaming activities in Macau in a long term. GW Entertainment will in the near future implement a series of promotion plans to boost visitors to the Casino while continuing to reduce operating costs in order to increase its competitive edge.

For the 15-month period from 1 January 2009 to 31 March 2010

Business review

By a shareholders' resolution passed on 14 September 2009, GW Entertainment has changed its financial year end from 31 December to 31 March.

GW Entertainment has continued with the Business Agreement. No segmental information is disclosed as all the business transactions were derived from operation in Macau.

Financial result, financial position and capital structure

The turnover of MOP881 million (year ended 31-12-2008: MOP273 million) represented service income generated from the implementation of the Business Agreement. As a result of intense competition in Macau, GW Entertainment experienced a net loss of MOP164 million (year ended 31-12-2008: a net loss of MOP98 million). The total administrative expenses and commission expenses for operation was amounted to MOP1,020 million (year ended 31-12-2008: MOP375 million). Administrative expenses comprise mainly rental and utilities expenses of MOP124.7 million (year ended 31-12-2008 : MOP41.4 million), depreciation for other assets of MOP63.6 million (year ended 31-12-2008 : MOP10 million) and other operating costs incurred in relation to implementation of the Business Agreement. Commission expenses represented rebates to promoters who brought business to the Casino. The significant increase in this 15-month period is due to the fact that there were only approximately 4-month operation in year 2008 (the Business Agreement was signed in mid August 2008) while there were 15-month operation for the period under review.

As at 31 March 2010, GW Entertainment non-current assets stood at MOP195 million (At 31-12-2008: MOP109 million) mainly consisted of the property, plant and equipment, other assets, long-term receivables and non-current deposits. The current assets stood at MOP82 million (At 31-12-2008: MOP0.6 million) mainly consisted of other receivables, amounts due from related companies and bank balances and cash, whilst the current liabilities stood at MOP17 million (At 31-12-2008: MOP65 million) mainly consisted of other payables and bank overdraft.

The major sources of funding came from loan from immediate holding companies. The loan from immediate holding companies recorded a balance of MOP517 million (At 31-12-2008: MOP138 million), which is unsecured, interest bearing at 5.0% per annum and has no fixed repayment term.

Contingent liabilities and capital commitments

GW Entertainment had no contingent liabilities or capital commitment.

Employment and remuneration policy

As at 31 March 2010, GW Entertainment had no employees (At 31-12-2008: 33). Total staff costs for the 15-month period were MOP1.4 million (year ended 31-12-2008: MOP25.6 million). The remuneration policy was reviewed in line with the market conditions, current legislation and the performance of the individual employee.

Others

Since GW Entertainment had most of the transactions, monetary assets and liabilities denominated in MOP or HKD, its exposure to foreign currency risk is minimal.

Gearing ratio is not applicable as GW Entertainment had net deficiency at 31 March 2010 (At 31-12-2008: Not applicable).

GW Entertainment had no significant investment, nor material acquisitions and disposal of subsidiaries and associated companies.

There was no charge on GW Entertainment's assets.

Future plan and prospects

Although GW Entertainment suffered substantial loss during the 15-month period, the management is optimistic about the gaming activities in Macau in a long term, especially in Cotai area with the emerging project of Galaxy resort which will soon open in early 2011. GW Entertainment will in the near future implement a series of promotions plans to boost visitors to the Casino while continuing to reduce operating costs in order to increase its competitive advantages.

During the period, the Casino has been removed to the hotel block of the Property which significantly improved its operational efficiency and reduced overhead. The Great China Group is at the same time implementing a series of renovation work to increase the varieties at the Hotel such that the tourist travel to the Casino is expected to increase accordingly. This is the strategy of GW Entertainment to increase in the mass market sector which has much better gross profit margin than VIP rooms.

Set out below are the valuation reports on the property interests of the Group and the Great China Group prepared by CB Richard Ellis Limited and Savills Valuation and Professional Services Limited respectively, the professional valuers, for the purpose of inclusion in this circular:

1. THE GROUP

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地產代理（公司）牌照號碼
Estate Agent's Licence(Co.) No. C-004065

31 July 2010

The Directors
Get Nice Holdings Limited
10/F Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

Dear Sir,

Re: Property Valuation for 8 Properties in Hong Kong and Taiwan

We refer to the instruction from Get Nice Holdings Limited ("the Company") for us to carry out a valuation of properties in Hong Kong and Taiwan for public circular purpose, details of which are set out in the attached valuation certificates. We confirm that we have made relevant investigations and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of Market Value as at 31 May 2010 (the "date of valuation").

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities (the "Exchange Listing Rules") issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (1st Edition) published by the Hong Kong Institute of Surveyors ("HKIS").

Our valuation is made on the basis of Market Value which is defined by the HKIS to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

In arriving at our opinion of value, we have valued the property interests by making reference to comparable transactions in the locality and have also taken into account the construction costs that have been incurred or will be expended to complete the development to reflect the quality of the completed development.

Our valuation has been made on the assumption that the owner sells the property on the open market without the benefit of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting sale. Unless otherwise stated, it is assumed that the property were free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

We have caused searches to be made at the Land Registry for the properties situated in Hong Kong and Taiwan. However, we have not inspected the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies handed to us. Our valuation has been made on the assumption that the existing use of the properties does not in breach any the lease conditions.

We have relied to a considerable extent on the information given by the Company and have accepted the advice given to us on such matters as tenure, planning approvals, statutory notices, development scheme, site and floor areas, and all other relevant matters. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us, which are material to the valuation. We were also advised that no material factors have been omitted from the information supplied.

We have inspected the properties to such extent as for the purpose of this valuation. In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey nor any tests were made on the building services. Therefore, we are not able to report whether the properties is free of rot, infestation or any other structural defects.

We have not carried out site measurements to verify the correctness of the floor area of the Property and have assumed that the floor area shown on the documents and floor plans handed to us is correct. During our inspection, we have not carried out investigations on the site to determine the suitability of the ground conditions and the services for the existing development. Our valuation is on the basis that these aspects are satisfactory.

In the valuation, we have adopted an exchange rate of 1.0 Hong Kong Dollar against 4.0903 New Taiwan Dollar, which is the prevailing exchange rate as at the date of valuation.

We enclose herewith a summary of valuation and our valuation certificates.

Yours faithfully,
For and on behalf of
CB Richard Ellis Limited
Harry Chan *MBA MHKIS MRICS RPS(GP)*
Senior Director
Valuation & Advisory Services
Greater China

Note: Mr. Harry Chan is a Registered Professional Surveyor (General Practice), a member of the Hong Kong Institute of Surveyors and a member of Royal Institution of Chartered Surveyors. He has over 18 years valuation experience in Hong Kong and 12 years valuation experience in Taiwan.

SUMMARY OF VALUATIONS

	Property	Capital value in existing state as at 31 May 2010
1.	Office Unit on 10th Floor of High Block (Cosco Tower), Grand Millennium Plaza, No. 183 Queen's Road Central, No. 33 Wing Lok Street, Hong Kong	HK$213,000,000
2.	Workshop B on 14th Floor, Yiko Industrial Building, No. 10 Ka Yip Street, Hong Kong	HK$2,650,000
3.	A 4-storey development at No. 11, Lane 50, Hanjhong Street, Wanhua District, Taipei City, Taiwan (No. 2, Alley 13, Lane 50, Section 2, Wuchang Street) and No. 2-1, Alley 13, Lane 50, Section 2, Wuchang Street, Wanhua District., Taipei City, Taiwan	HK$40,300,000
4.	Flat A on 50th Floor of Block 1, The Zenith, No. 3 Wan Chai Road, Hong Kong	HK$8,090,000
5.	Flat B on 51st Floor of Block 1, The Zenith, No. 3 Wan Chai Road, Hong Kong	HK$6,800,000
6.	Flat E on 6th Floor of Block 3, The Zenith, No. 258 Queen's Road East, Hong Kong	HK$7,800,000
7.	Flat D on 39th Floor of Block 1, The Zenith, No. 3 Wan Chai Road, Hong Kong	HK$9,140,000
8.	Flat D on 25th Floor of Tower B, Hollywood Terrace, No. 268 Queen's Road Central, Hong Kong	HK$8,670,000
	Total :	**HK$296,450,000**

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market value in existing state as at 31 May 2010
1.	Office Unit on 10th Floor of High Block (Cosco Tower), Grand Millennium Plaza, No. 183 Queen's Road Central, No. 33 Wing Lok Street, Hong Kong. 1495/116009 of shares of and in the Remaining Portion of Inland Lot No. 8911.	Grand Millennium Plaza is a commercial development consists of two office towers in Central. The two office towers, namely High Block and Low Block respectively, were completed in 1998. The High Block (Cosco Tower) is a 52-storey commercial building erected on a 7-storey car parking podium. The property comprises the whole commercial floor on the 10th Floor of Cosco Tower. The saleable area is about 1,556.30 sq.m. (16,752 sq.ft.). The property is held under Condition of Exchange No.12479 for a term of 50 years commencing from 25 June 1997 to 30 June 2047. The current annual Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the lot.	The property was owner occupied as noted during our inspection.	HK$213,000,000 (HONG KONG DOLLARS TWO HUNDRED THIRTEEN MILLION)

Notes:

1. The registered owner of the property is Grace Field Limited vide Memorial No. UB8172346 dated 2 August 2000. Grace Field Limited is a wholly-owned subsidiary of the Company.

2. The property is subject to a Deed of Mutual Covenant and Management Agreement re R.P. in favour of Urban Property Management Limited "The Manager" vide Memorial No. UB7369240 dated 19 November 1997.

3. The property is subject to a Mortgage in favour of Liu Chong Hing Bank Limited for a consideration of HK$69,300,000 vide Memorial No. 05030402230034 dated 7 February 2005.

4. The property is subject to a Further Charge in favour of Liu Chong Hing Bank Limited for a consideration of all monies vide Memorial No. 06102300800020 dated 26 September 2006.

5. The property lies within an area zoned as "Commercial (1)" under draft Sai Ying Pun and Sheung Wan Outline Zoning Plan No. S/H3/24. The current use complies with the town planning use.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market value in existing state as at 31 May 2010
2.	Workshop B on 14th Floor, Yiko Industrial Building, No. 10 Ka Yip Street, Hong Kong. 11/962 of shares of and in Chai Wan Inland Lot No. 126.	Yiko Industrial Building is an industrial building located in Chai Wan. The development is a 26-storey industrial block with car parking spaces on the basement. The development was completed in 1988. The property comprises an industrial unit on 14/F of the development. Upon our inspection, the subject property accommodates general storage area with two lavatories. The gross floor area of the property is about 259.29 sq.m. (2,791 sq.ft.) and the saleable area of the property is about 199.65 sq.m. (2,149 sq.ft.). The floor loading of the subject property is 150 lb./sq.ft. and the floor height is approximately 2.92 m (9.58 ft.). The property is held under Conditions of Sale No.11862 commencing from 19 November 1985 to 30 June 2047. The Government Rent is HK$1,000 per annum.	The property was owner occupied as advised by the instructing party.	HK$2,650,000 (HONG KONG DOLLARS TWO MILLION SIX HUNDRED FIFTY THOUSAND)

Notes:

1. The registered owner of the property is Get Nice Investment Limited vide Memorial No. UB7191974 dated 7 July 1997. Get Nice Investment Limited is a wholly-owned subsidiary of the Company.

2. The property is subject to a Deed of Mutual Covenant and Management Agreement vide Memorial No. UB4067185 dated 3 April 1989.

3. The property lies within an area zoned as “Industrial” under Chai Wan Outline Zoning Plan No. S/H20/17. The current use complies with the town planning use.

4. According to the Certificate of Change of Name provided by the Company, Get Nice Investment Limited has changed its name to Get Nice Securities Limited.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market value in existing state as at 31 May 2010
3.	A 4-storey development at No. 11, Lane 50, Hanjhong Street, Wanhua District, Taipei City, Taiwan (No. 2, Alley 13, Lane 50, Section 2, Wuchang Street) and, Wuchang Street, Wanhua District., Taipei City, Taiwan No.2-1, Alley. 13, Lane 50, Sec. 2, Wuchang Street, Wanhua District., Taipei City, Taiwan	The property comprises a 4-storey building with a total gross floor area of approximately 603.06 sq.m. including a balcony of 19.76 sq.m.. It was completed in 1972. It occupies three adjoining parcels of land with a total site area of about 190.34 sq.m. (2,049 sq.ft.). The site is held under freehold.	As advised by the Company, the property is subject to 2 tenancies at a current monthly rent of NTD250,000 inclusive of property tax and land value tax but exclusive of utility charge and business tax, and NTD40,500 inclusive of property tax but exclusive of utility charge and management fee.	HK$40,300,000 (HONG KONG DOLLARS FORTY MILLION THREE HUNDRED THOUSAND)

Notes:

1. According to the Building Certificates registered in Jianchen Land Management Bureau of Taipei City, the registered owner of the property is Rise Fortune Group Limited. Rise Fortune Group Limited is a wholly-owned subsidiary of the Company.

2. The property lies within an area zoned as “Commercial (4)”. The current use complies with the town planning use.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market value in existing state as at 31 May 2010
4.	Flat A on 50th Floor of Block 1, The Zenith, No. 3 Wan Chai Road, Hong Kong. 55/45576 of shares of and in Sections A & B of Inland Lot No. 8953.	The Zenith is a development consists of three residential blocks in Wan Chai. The development was completed in 2005. Block 1 of The Zenith is a 43-storey residential building erected on a 5-storey commercial/club house/car parking podium. The property comprises 1 residential unit on the 50th Floor of Block 1 of The Zenith. The gross floor area of the property is about 68.75 sq.m. (740 sq.ft.) and the saleable area is about 52.95 sq.m. (570 sq.ft.). The property is held under Condition of Exchange No. UB12640 for a term of 50 years commencing from 9 June 2003. The current annual Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the lot.	As advised by the Company, the property was owner occupied.	HK$8,090,000 (HONG KONG DOLLARS EIGHT MILLION NINETY THOUSAND)

Notes:

1. The registered owner of the property is Rich Mount Limited vide Memorial No. 07071201730276 dated 20 June 2007 for a consideration of HK$7,159,000.00. Rich Mount Limited is a wholly-owned subsidiary of the Company.

2. The property is subject to the following Occupation Permits

   1) No. HK 53/2005 vide Memorial No. 05070701670089 dated 16 June 2005.
   2) No. HK 23/2006 vide Memorial No. 06042802260119 dated 18 April 2006.
   3) No. HK 24/2006 vide Memorial No. 06042802260128 dated 18 April 2006.

3. The property is subject to a Deed of Covenant vide Memorial No. 07062501850030 dated 8 June 2007.

4. The property is subject to a Deed of Mutual Covenant and Management Agreement in favour of Perfect World Company Limited (Company) vide Memorial No. 07062501850046 dated 8 June 2007.

5. The property is subject to a Mortgage in favour of Chong Hing Bank Limited for all monies vide Memorial No. 07100500380050 dated 11 September 2007.

6. The property lies within an area zoned as "Land Development Corporation Development Scheme Plan Area" under Wan Chai Outline Zoning Plan No. S/H5/25. The land use zoning of this area is based on the approved LDC Wan Chai Road/Tai Yuen Street DSP No. S/H5/LDC1/2. URA is redeveloping this area for commercial/residential uses with GIC facilities including a market, public toilet and day nursery. The current use complies with the town planning use.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market value in existing state as at 31 May 2010
5.	Flat B on 51st Floor of Block 1, The Zenith, No. 3 Wan Chai Road, Hong Kong. 47/45576 of shares of and in Sections A & B of Inland Lot No. 8953.	The Zenith is a development consists of three residential blocks in Wan Chai. The development was completed in 2005. Block 1 of The Zenith is a 43-storey residential building erected on a 5-storey commercial/club house/car parking podium. The property comprises 1 residential unit on the 51st Floor of Block 1 of The Zenith. The gross floor area of the property is about 58.34 sq.m. (628 sq.ft.) and the saleable area is about 45.62 sq.m. (491 sq.ft.). The property is held under Condition of Exchange No. UB12640 for a term of 50 years commencing from 9 June 2003. The current annual Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the lot.	As advised by the Company, the property was owner occupied.	HK$6,800,000 (HONG KONG DOLLARS SIX MILLION EIGHT HUNDRED THOUSAND)

Notes:

1. The registered owner of the property is Rich Mount Limited vide Memorial No. 07071201730287 dated 20 June 2007 for a consideration of HK$6,252,000.00. Rich Mount Limited is a wholly-owned subsidiary of the Company.

2. The property is subject to the following Occupation Permits

   1) No. HK 53/2005 vide Memorial No. 05070701670089 dated 16 June 2005.
   2) No. HK 23/2006 vide Memorial No. 06042802260119 dated 18 April 2006.
   3) No. HK 24/2006 vide Memorial No. 06042802260128 dated 18 April 2006.

3. The property is subject to a Deed of Covenant vide Memorial No. 07062501850030 dated 8 June 2007.

4. The property is subject to a Deed of Mutual Covenant and Management Agreement in favour of Perfect World Company Limited (Company) vide Memorial No. 07062501850046 dated 8 June 2007.

5. The property is subject to a Mortgage in favour of Chong Hing Bank Limited for all monies vide Memorial No. 07100500380063 dated 11 September 2007.

6. The property lies within an area zoned as "Land Development Corporation Development Scheme Plan Area" under Wan Chai Outline Zoning Plan No. S/H5/25. The land use zoning of this area is based on the approved LDC Wan Chai Road/Tai Yuen Street DSP No. S/H5/LDC1/2. URA is redeveloping this area for commercial/residential uses with GIC facilities including a market, public toilet and day nursery. The current use complies with the town planning use.

7. According to the Preliminary Sale & Purchase Agreement dated 29 May 2010 provided by the Company, the property was sold for a consideration of $7,250,000.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market value in existing state as at 31 May 2010
6.	Flat E on 6th Floor of Block 3, The Zenith, No. 258 Queen's Road East, Hong Kong. 65/45576 of shares of and in Sections A & B of Inland Lot No. 8953.	The Zenith is a development consists of three residential blocks in Wan Chai. The development was completed in 2006. Block 3 of The Zenith is a 40-storey residential building erected on a 5-storey commercial/club house/ car parking podium and a 2-level car parking basement. The property comprises 1 residential unit on the 6th Floor of Block 3 of The Zenith. The gross floor area of the property is about 80.73 sq.m. (869 sq.ft.) and the saleable area is about 61.78 sq.m. (665 sq.ft.). The property is held under Condition of Exchange No. UB12640 for a term of 50 years commencing from 9 June 2003. The current annual Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the lot.	As advised by the Company, the property was owner occupied.	HK$7,800,000 (HONG KONG DOLLARS SEVEN MILLION EIGHT HUNDRED THOUSAND)

Notes:

1. The registered owner of the property is Pacific Challenge Secretarial Services Limited vide Memorial No. 07071301330654 dated 20 June 2007 for a consideration of HK$5,033,000.00. Pacific Challenge Secretarial Services Limited is a wholly-owned subsidiary of the Company.

2. The property is subject to a Deed of Covenant vide Memorial No. 07062501850030 dated 8 June 2007.

3. The property is subject to a Deed of Mutual Covenant and Management Agreement in favour of Perfect World Company Limited (Company) vide Memorial No. 07062501850046 dated 8 June 2007.

4. The property is subject to a Mortgage in favour of Chong Hing Bank Limited for all monies vide Memorial No. 07100500380018 dated 11 September 2007.

5. The property lies within an area zoned as "Land Development Corporation Development Scheme Plan Area" under Wan Chai Outline Zoning Plan No. S/H5/25. The land use zoning of this area is based on the approved LDC Wan Chai Road/Tai Yuen Street DSP No. S/H5/LDC1/2. URA is redeveloping this area for commercial/residential uses with GIC facilities including a market, public toilet and day nursery. The current use complies with the town planning use.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market value in existing state as at 31 May 2010
7.	Flat D on 39th Floor of Block 1, The Zenith, No. 3 Wan Chai Road, Hong Kong. 63/45576 of shares of and in Sections A & B of Inland Lot No. 8953.	The Zenith is a development consists of three residential blocks in Wan Chai. The development was completed in 2005. Block 1 of The Zenith is a 43-storey residential building erected on a 5-storey commercial/club house/car parking podium. The property comprises 1 residential unit on the 39th Floor of Block 1 of The Zenith. The gross floor area of the property is about 78.50 sq.m. (845 sq.ft.) and the saleable area is about 61.22 sq.m. (659 sq.ft.). The property is held under Condition of Exchange No. UB12640 for a term of 50 years commencing from 9 June 2003. The current annual Government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the lot.	As advised by the Company, the property was owner occupied.	HK$9,140,000 (HONG KONG DOLLARS NINE MILLION ONE HUNDRED FORTY THOUSAND)

Notes:

1. The registered owner of the property is Pacific Challenge Management Services Limited vide Memorial No. 07071201730241 dated 20 June 2007 for a consideration of HK$7,019,000.00. Pacific Challenge Management Services Limited is a wholly-owned subsidiary of the Company.

2. The property is subject to a Deed of Covenant vide Memorial No. 07062501850030 dated 8 June 2007.

3. The property is subject to a Deed of Mutual Covenant and Management Agreement in favour of Perfect World Company Limited (Company) vide Memorial No. 07062501850046 dated 8 June 2007.

4. The property is subject to a Mortgage in favour of Chong Hing Bank Limited for all monies vide Memorial No. 07100500380041 dated 11 September 2007.

5. The property lies within an area zoned as “Land Development Corporation Development Scheme Plan Area” under Wan Chai Outline Zoning Plan No. S/H5/25. The land use zoning of this area is based on the approved LDC Wan Chai Road/Tai Yuen Street DSP No. S/H5/LDC1/2. URA is redeveloping this area for commercial/residential uses with GIC facilities including a market, public toilet and day nursery. The current use complies with the town planning use.

VALUATION CERTIFICATE

	Property	Description and tenure	Details of occupancy	Market value in existing state as at 31 May 2010
8.	Flat D on 25th Floor of Tower B, Hollywood Terrace, No. 268 Queen's Road Central, Hong Kong. 73/53628 of shares of and in Section A of Inland Lot No. 850 and Inland Lot No. 8732.	Hollywood Terrace is a development consists of two residential towers in Sheung Wan. The development was completed in 1999. Tower B of Hollywood Terrace is a 35-storey residential building erected on a 6-storey commercial/club house/car parking podium. The property comprises 1 residential unit on the 25th Floor of Tower B of Hollywood Terrace. The gross floor area of the property is about 87.14 sq.m. (938 sq.ft.) and the saleable area is about 70.98 sq.m. (764 sq.ft.). The property is held under Government Lease for a term of 999 years commencing from 5 February 1877 and Conditions of Grant No. 12131 for a term commencing from 25 February 1991 until 30 June 2047. The Government rent of Section A of Inland Lot No. 850 is HK$20 per annum. The current annual Government rent payable for Inland Lot No.8732 is an amount equal to 3% of the rateable value for the time being of the lot.	As advised by the Company, the property was owner occupied.	HK$8,670,000 (HONG KONG DOLLARS EIGHT MILLION SIX HUNDRED SEVENTY THOUSAND)

Notes:

1. The registered owner of the property is Quality Champion Limited vide Memorial No. 08011402300026 dated 24 December 2007 for a consideration of HK$6,900,000.00. Quality Champion Limited is a wholly-owned subsidiary of the Company.

2. The property is subject to a Deed of Mutual Covenant vide Memorial No. UB7930189 dated 23 November 1999.

3. The property is subject to a Supplemental Deed of Mutual Covenant vide Memorial No. UB7930190 dated 23 November 1999.

4. The property lies within an area zoned as "Residential (Group A) 1" under draft Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/24. The current use complies with the town planning use.

2. THE GREAT CHINA GROUP

The following is the text of a letter and valuation certificate issued by Savills Valuation and Professional Services Limited, an independent property valuer, prepared for the purpose of incorporation in this circular in connection with its valuation of the property interests held by the Great China Group as at 31st May 2010.

savills
第一太平戴維斯

Savills Valuation and
Professional Services Limited
23/F Two Exchange Square
Central, Hong Kong

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EA LICENCE: C-023750
savills.com

The Directors
Get Nice Holdings Limited
10/F Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

31st July 2010

Dear Sirs,

In accordance with your instruction for us to value the property interest of Companhia Great China, Limitada (Great China Company Limited) (referred to as the "Company"), its subsidiaries and associate companies (hereinafter together referred to as the "Group") located in Macao, we confirm that we have carried out inspection to the property concerned, and made relevant enquiries and investigations as we consider necessary for the purpose of providing you with our opinion of the value of the property interest held by the Group as at 31st May 2010 (the "Valuation Date").

BASIS OF VALUATION

Our valuation of the property interest is our opinion of the Market Value of the concerned property which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

Our valuation has been prepared in accordance with The HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors in 2005, and the relevant provisions of the Companies Ordinance and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (Main Board).

VALUATION METHODOLOGY

The property is held by the Group for investment and owner occupation purposes. We have valued the property by the comparison method. Comparison based on prices realised on actual sales and/or offerings of comparable properties is made. Comparable properties with similar sizes, character, location, etc. are analyzed and carefully compared against all of the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values. Where appropriate, we have also valued the property by capitalization of the rent passing derived from the existing tenancies and provision for reversionary income potential.

TITLE INVESTIGATION

We have caused land searches to be made at the Conservatória do Registo Predial in Macau. However, we have not searched the original documents to verify ownership or to verify any lease amendments which may not appear on the copies handed to us. All documents have been used for reference only and all dimensions, measurements and areas are approximates.

We have relied on the advice given by the Group and its legal advisor on the laws of Macau, Leong Hon Man Advogado (referred to as the "Macau Legal Advisor"), regarding title to the property interest of the property concerned. In our valuation, we have taken into account the legal opinion of the Macau Legal Advisor. While we have exercised our professional judgement in arriving at our valuation, you are urged to consider our valuation assumptions with caution.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the property interest is sold in the market in its existing state without any effect of deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the value of the property interest. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property interest.

In valuing the property interest of the property concerned, we have assumed that the owner of the property interest has free and uninterrupted rights to use and assign the property during the whole of the respective unexpired terms granted. Upon the expiration of the term, the Government Lease can be renewed upon application for another 10 years upon payment of a fixed premium equivalent to 10 times the prevailing Government rent provided that the grantee has (a) complied with the Government Lease and (b) settled the annual Government Rent. The term of the grant can be renewed until 19th December 2049.

Other special assumptions for the Property, if any, have been stated in the footnotes of the valuation certificate.

VALUATION CONSIDERATION

Having examined all relevant documentation, we have relied to a considerable extent on the information given by the Group, and have accepted advice to us on such matters as easements, tenures, tenancy details, floor areas and other relevant matters. All documents have been used for reference only. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate is based on information contained in the documents provided to us by the Group and are therefore approximate. We have no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material facts have been omitted from the information provided and have no reason to suspect that any material information has been withheld.

We have inspected the exterior and, where possible, the interior of the property. In the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore, unable to report whether the property is free from rot, infestation or any other defects. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

Remarks

Unless otherwise stated, all money amounts stated herein are in Hong Kong Dollars ("HK$"). The exchange rate adopted in this report is HK$1 to MOP1.03 which is prevailing as of the Valuation Date.

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited
Charles C K Chan
MSc FRICS FHKIS MCIArb RPS (GP)
Managing Director

* Mr. Charles C K Chan, chartered estate surveyor, MSc, FRICS, FHKIS, MCIArb, RPS (GP), has been a qualified valuer since June 1987 and has about 25 years experience in the valuation of properties in Hong Kong and has about 20 years experience in the valuation of properties in Macau.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31st May 2010
Grand Waldo Hotel situated at Entre as Ilhas de Coloane e Taipa, Junto à Rotunda do DiQue Oeste (Zona do Cotai) (路環與氹仔之間的路氹城區,鄰近西堤圓形地), Taipa, Macau	The Property comprises a 5-star hotel complex namely Grand Waldo Hotel erected upon a piece of land with a site area of 36,640 sq.m. (394,393 sq.ft.). The hotel complex consists of a total of 4 buildings, which includes a 12-storey Hotel Building, a 5-storey Amenity Building, a 7-storey Entertainment Building, and a 7-storey Multi-Level Car Park. It is of reinforced concrete construction completed in or about 2006. The total gross floor area of the Property is approximately 128,831.4 sq.m. (1,386,741 sq.ft.). It accommodates a total of 314 guestrooms and casino area, retail areas, function room, restaurants and lounges, swimming pool, gymnasium, spa centre, night club and sauna. The Property is held under Concessão Por Arrendamento (政府租賃批地) for a term of 25 years commencing on 12th May 2004 and is renewable for further terms until 19th December 2049. The current annual government rent is MOP1,849,245.	The property is currently operated by the Company. As advised, the property has a total saleable area of approximately 37,020 sq.m (398,483 sq.ft) for rent, in which, a total of approximately 24,154.22 sq.m. (259,996 sq.ft.) is vacant. Portions of the property are currently subject to various tenancies at a total monthly rent of HK$430,850 (inclusive of government rent and property tax, exclusive of air-conditioning charges, management fee, utilities and telephones charges) with the latest expiry date on 29th February 2012. The casino portion is currently subject to a tenancy at a monthly rent of HK$2,200,000 (inclusive of government rent and property tax, exclusive of air-conditioning charges, management fee, utilities and telephone charges) for a term of 2 years commencing on 1st February 2010. The spa center is currently subject to various tenancies at a total monthly rent of HK$70,000 (inclusive of government rent and property tax, exclusive of air-conditioning charges, management fee, utilities and telephone charges) with the latest expiry date on 30th September 2012.	HK$3,000,000,000

Notes:

1. The registered owner of the property is Companhia Great China, Limitada (大中華有限公司), in which the Group has 100 per cent attributable interests.

2. Upon our recent title search, the Property was subject to the following encumbrances:

   i) a Hipoteca Voluntária (意定抵押) in favor of Banco de Desenvolvimento de Cantão, S.A. (廣東發展銀行股份有限公司) vide a memorial no. 74655C dated 5th February 2007, and;

   ii) a Consignação de Rendimentos (收益用途之指定) in favor of Banco de Desenvolvimento de Cantão, S.A. (廣東發展銀行股份有限公司) vide a memorial no. 31609F dated 5th February 2007.

3. According to the legal opinion provided by the Macau Legal Advisor, a premium of MOP20,040,000 which shall be paid in kind, i.e, through the construction of the infrastructure listed as follows:

   i) To carry out and complete the works of reclamation in relation to the land lots identified as "A1", "A2" and "B" in the Cadastral Plan;

   ii) On the land lot identified as "B" in the Cadastral Plan, conclude the infrastructures required, namely, build a road segment identified as VU3.4, as well as the road surface, driving line, parking spaces and the drainage network of the segment extending from VU3.4 to the ring road of the Lotus bridge.

   However, land lots identified as "A2" and "B" in the Cadastral Plan are not included in our valuation. In the course of our valuation, we have assumed the said premium has been fully paid and settled as at the Valuation Date.

1. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following are the unaudited pro forma financial information on the Enlarged Group and the text of the accountants' report thereon from the reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of inclusion in this circular.

A. INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

Pursuant to the Acquisition Agreements, the Group has conditionally agreed to acquire (1) the Great China Sale Loan and Great China Sale Shares at the Great China Consideration (the "Great China Acquisition"); and (2) the GWE Sale Loan and GWE Sale Shares at the GWE Consideration (the "GWE Acquisition").

Great China and GW Entertainment are jointly controlled entities of the Group. Upon completion of the Acquisition Agreements, the Group will hold 65% equity interests in each of Great China and GW Entertainment. Accordingly, Great China Group and GW Entertainment will become 65% owned subsidiaries of the Group upon completion of the Acquisition Agreements. The consideration for the Acquisition Agreements will be paid by cash using internal resources of the Group.

This unaudited pro forma financial information is prepared solely for illustrative purposes only, to illustrate the effect of (i) the unaudited consolidated financial position of Enlarged Group as if the Acquisition Agreements had been completed on 31 March 2010; (ii) the unaudited consolidated financial performance and cash flow position of the Enlarged Group as if the Acquisition Agreements had been completed at the beginning of the period. The possible adjustment on the consideration was not reflected in the unaudited pro forma financial information of the Enlarged Group.

The unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 31 March 2010, is prepared based on (i) the audited consolidated statement of financial position of the Group as at 31 March 2010, as extracted from the annual report of the Company for the year ended 31 March 2010; (ii) the audited consolidated statement of financial position of the Great China Group as at 31 March 2010, as extracted from the accountants' report thereon set out in Appendix II to this circular (which have been converted to HK$ assuming a conversion rate of HK$1 = MOP1.03); and (iii) the audited statement of financial position of GW Entertainment as at 31 March 2010, as extracted from the accountants' report thereon set out in Appendix III to this circular (which have been converted to HK$ assuming a conversion rate of HK$1 = MOP1.03), as if the Acquisition Agreements had been completed on 31 March 2010.

The unaudited pro forma consolidated statements of comprehensive income and cash flows of the Enlarged Group for the year ended 31 March 2010 are prepared based on (i) the audited consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 March 2010, as extracted from the annual report of the Company for the year ended 31 March 2010; (ii) the audited consolidated statement of comprehensive income and consolidated statement of cash flows of the Great China Group for the period from 1

January 2009 to 31 March 2010, as extracted from the accountants' report as set out in Appendix II to this circular (which have been converted to HK$ assuming a conversion rate of HK$1 = MOP1.03); and (iii) the audited statement of comprehensive income and statement of cash flows of GW Entertainment for the period from 1 January 2009 to 31 March 2010, as extracted from the accountants' report as set out in Appendix III to this circular (which have been converted to HK$ assuming a conversion rate of HK$1 = MOP1.03), as if the Acquisition Agreements had been completed at the beginning of the period.

The unaudited pro forma financial information is prepared to provide information on the Enlarged Group as a result of the completion of the Acquisition Agreements. As it is prepared for illustration purposes only, it does not purport to present what the financial position or the results or cash flows of the Enlarged Group will be on the completion of the Acquisition Agreements.

For the purpose of preparing the unaudited pro forma financial information, the accounting impact of the Great China Acquisition and the GWE Acquisition are reflected with reference to HKFRS 3 (revised) which become effective for the Group's financial year beginning on 1 April 2010.

B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP

	The Group at 31 March 2010	Great China Group at 31 March 2010	GW Entertainment at 31 March 2010	Pro forma adjustments relating to Great China Agreement		Pro forma adjustments relating to GW Entertainment Agreement		The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*	*Notes*	*HK$'000*
Non-current assets								
Prepaid lease payments	88,881	138,641	–	–		–		227,522
Property and equipment	30,514	551,987	29,410	–		480,000	(f)	1,091,911
Investment properties	80,052	2,145,800	–	–		(480,000)	(f)	1,745,852
Intangible assets	8,504	–	–	–		–		8,504
Goodwill	15,441	–	–	214,023	(a)	–		229,464
Investments in securities	84,829	–	–	–		–		84,829
Interests in jointly controlled entities	707,920	–	–	(707,920)	(b)(v)	–		–
Other assets	2,977	–	53,742	–		–		56,719
Amounts due from jointly controlled entities	406,487	–	–	(260,123)	(b)(iii)	(146,364)	(d)(ii)	–
Deposit	12,924	–	80,000	–		–		92,924
Loans and advances	18,330	–	26,228	–		–		44,558
	1,456,859	2,836,428	189,380					3,582,283
Current Assets								
Accounts receivable	1,478,668	22,453	3,140	–		–		1,504,261
Inventories	–	1,243	–	–		–		1,243
Amounts due from related parties	–	–	53,164	–		(53,164)	(e)	–
Loans and advances	101,927	–	–	–		–		101,927
Prepaid lease payments	2,450	7,407	–	–		–		9,857
Properties under development for sale	42,239	–	–	–		–		42,239
Prepayments, deposits and other receivables	3,660	–	–	–		–		3,660
Taxation recoverable	567	–	–	–		–		567
Investments in securities	43,766	–	–	–		–		43,766
Bank balances - client accounts	224,690	–	–	–		–		224,690
Bank balances - general accounts and cash	380,690	29,729	23,131	(325,518)	(c)	–		108,032
	2,278,657	60,832	79,435					2,040,242

	The Group at 31 March 2010	Great China Group at 31 March 2010	GW Entertainment at 31 March 2010	Pro forma adjustments relating to Great China Agreement		Pro forma adjustments relating to GW Entertainment Agreement		The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*	*Notes*	*HK$'000*
Current Liabilities								
Accounts payable	284,950	23,509	12,040	–		–		320,499
Accrued charges and other accounts payable	12,427	1,387	–	–		–		13,814
Amounts due to related parties	–	53,164	–	–		(53,164)	(e)	–
Amounts due to non-controlling shareholders of subsidiaries	17,000	–	–	–		–		17,000
Taxation payable	14,778	3	361	–		–		15,142
Bank borrowings and overdraft	–	164,050	4,352	–		–		168,402
	329,155	242,113	16,753					534,857
Net current assets (liabilities)	1,949,502	(181,281)	62,682					1,505,385
Total assets less current liabilities	3,406,361	2,655,147	252,062					5,087,668
Non - current Liabilities								
Bank borrowings	–	665,904	–	–		–		665,904
Rental deposit received	–	742	–					742
Amounts due to shareholders	–	520,300	501,942	(338,195)	(b)(iii)	(326,263)	(d)(ii)	–
				(182,105)	(b)(iv)	(175,679)	(d)(iii)	
Amounts due to non-controlling shareholders of subsidiaries	–	–	–	182,105	(b)(iv)	175,679	(d)(iii)	287,803
						(69,981)	d(v)	
Deferred tax liabilities	4,858	147,786	–	–				152,644
	4,858	1,334,732	501,942					1,107,093
	3,401,503	1,320,415	(249,880)					3,980,575
Capital and reserves								
Share capital	424,948	97	970	(97)	(b)(i)	(970)	(d)(i)	424,948
Reserves	2,976,555	1,320,318	(250,850)	(1,320,318)	(b)(ii)	250,850	(d)(iv)	3,093,482
				116,900	(b)(v)			
				27	(b)(vii)			
Equity attributable to owners of the Company	3,401,503	1,320,415	(249,880)	–		–		3,518,430
Non-controlling interests	–	–	–	462,145	(b)(vi)	–		462,145
Total equity	3,401,503	1,320,415	(249,880)					3,980,575

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Recognition of goodwill arising from the completion of the Great China Acquisition is estimated as follow:

	HK$'000
Net assets of Great China Group as at 31 March 2010	1,320,415
Acquisition of amount due to shareholders (65% of HK$520,300,000)	338,195
Elimination of amount due from a jointly controlled entity including exchange difference of HK$27,000 *(note (b)(vii))*	(260,150)
Net assets of Great China Group acquired	1,398,460
Non-controlling interests of 35%	(462,145)
Goodwill	214,023
	1,150,338
Represented by:	
Cash consideration *(note (c))*	325,518
Fair value of 50% equity interest in Great China Group *(note (b)(v))*	824,820
	1,150,338

For the purpose of the preparation of the unaudited pro forma financial information, the fair values of the identifiable assets and liabilities of Great China Group are assumed to be equal to their carrying amounts as at 31 March 2010. The non-controlling interests are assumed to be measured as the non-controlling shareholders' proportionate share of the identifiable net assets of Great China Group. The fair values of the assets and liabilities at the completion date of the Great China Acquisition will be assessed upon the completion of the Great China Acquisition and will be different, and accordingly, the amount of goodwill to be recognised is subject to change. The transaction costs relating to the acquisition is insignificant.

(b) Upon completion of the Great China Acquisition, Great China will become a 65% owned subsidiary of the Group. The adjustments reflect :

(i) elimination of share capital of Great China amounting to HK$97,000;

(ii) elimination of pre-acquisition reserve of Great China Group amounting to HK$1,320,318,000 upon completion of Great China Acquisition;

(iii) elimination of amounts due from Great China Group amounting to HK$260,123,000 and acquisition of additional amount of HK$78,072,000;

(iv) reclassification of amounts due to shareholders to amounts due to non-controlling shareholders amounting to HK$182,105,000 (representing 35% of HK$520,300,000);

(v) recognition of gain on derecognition of interest in jointly controlled entities:

	HK$'000
Fair value of 50% equity interest in Great China Group	824,820
Interest in jointly controlled entities derecognised	(707,920)
	116,900

The fair value of 50% equity interest in Great China Group has been estimated by reference to the consideration for the 15% equity interest in Great China Group without taking into account the effect of any control premium.

	HK$
Total amounts due to shareholders as per Great China's audited financial statements as at 31 March 2010	520,300,000
65% thereof	338,195,000
Amounts due from Great China Group as per the Group's audited financial statements as at 31 March 2010	(260,123,000)
Fair value of additional 15% of amount due from Great China Group	78,072,000
Fair value of 15% equity interest in Great China Group (Total consideration of HK$325,518,000 less fair value of additional 15% of amount due from Great China Group of HK$78,072,000)	247,446,000
Estimated fair value of 50% equity interest in Great China Group	824,820,000

The fair value of the 50% equity interest in Great China Group will be assessed upon completion of the Great China Acquisition and, accordingly, the gain on derecognition of interest in jointly controlled entities will be different from the amount of HK$116,900,000 used for the illustrative purpose of the unaudited pro forma financial information.

(vi) recognition of non-controlling interest of HK$462,145,000;

(vii) exchange difference arising from elimination of intra-group balances amounting to HK$27,000.

(c) Cash consideration of HK$325,518,000 under the Great China Agreement is determined as 15% of the net sum of HK$3,000 million less outstanding bank loan upon completion date which amounted to HK$829,880,000 as at 31 March 2010.

(d) Upon completion of the GWE Acquisition, GW Entertainment will become a non-wholly owned subsidiary of the Group. The adjustments reflect :

(i) elimination of share capital of GW Entertainment amounting to HK$970,000;

(ii) elimination of amount due from GW Entertainment of HK$146,364,000 and acquisition of additional amount of HK$75,291,000;

(iii) reclassification of amounts due to shareholders to amounts due to non-controlling shareholders amounting to HK$175,679,000 (representing 35% of HK$501,942,000);

(iv) elimination of pre-acquisition deficit of GW Entertainment amounting to HK$250,850,000;

(v) financial effect arising from completion of GWE Acquisition:

	HK$'000
Net liabilities of GW Entertainment as at 31 March 2010	(249,880)
Adjustment for the amounts due to the Group on acquisition of 65% of GW Entertainment	179,899
Fair value adjustment for the amounts due to the non-controlling shareholders on acquisition of 65% of GW Entertainment	69,981
Adjusted net assets	–
Non-controlling interest of 35%	–
Net assets acquired	–
Total consideration	–

For the purpose of the preparation of the unaudited pro forma financial information, the fair values of the identifiable assets and liabilities of GW Entertainment are assumed to be equal to their carrying amounts as at 31 March 2010 except for the amounts due to shareholders and amounts due to non-controlling shareholders which are adjusted as set out above. The non-controlling interests are assumed to be measured as the non-controlling shareholders' proportionate share of the net liabilities of GW Entertainment after adjustments as set out above.

The adjustment to the amounts due to the Group is made in order to reflect the assumed fair value of the amounts by applying acquisition accounting in accordance with HKFRS 3 (revised).

	HK$
Total amounts due to shareholders as per GW Entertainment's audited financial statements as at 31 March 2010	501,942,000
65% thereof	326,262,300
Amounts due from GW Entertainment as per the Group's audited financial statements as at 31 March 2010	(146,364,000)
Adjustment on amounts due to the Group	179,898,300

The fair values of the assets and liabilities at the completion date of the GWE Acquisition will be assessed and will be different from the above, and accordingly, the financial effect is subject to change.

(e) Being elimination of the balance between Great China Group and GW Entertainment.

(f) After the completion of the Acquisition Agreements, both Great China and GW Entertainment will become non-wholly owned subsidiaries of the Group. A portion of investment properties amounting to HK$480,000,000 as at 31 March 2010 of Great China which was leased to GW Entertainment is therefore reclassified from investment properties to property and equipment.

C. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE ENLARGED GROUP

	The Group for the year ended 31 March 2010	Great China Group for the period from 1 January 2009 to 31 March 2010	GW Entertainment for the period from 1 January 2009 to 31 March 2010	Pro forma adjustments	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Revenue	271,723	223,375	855,469	(125,143)	(a)(ii)	1,225,424
Cost of sales	–	(19,074)	–	–		(19,074)
Gross profit	271,723	204,301	855,469	(125,143)		1,206,350
Other operating income	16,105	295	5,049	(15,393)	(a)(i)	6,056
Other gains and losses	23,437	–	–	128,214	(c)	143,047
				(8,604)	(d)	
Depreciation	(4,426)	(29,218)	(427)	–		(34,071)
Amortisation of prepaid lease payments/other assets	(2,450)	(3,950)	(61,747)	–		(68,147)
Commission expenses	(29,959)	–	(563,068)	–		(593,027)
Staff costs	(15,012)	(51,584)	(1,347)	–		(67,943)
Other operating expenses	(29,953)	(54,938)	(364,104)	125,143	(a)(ii)	(294,359)
				29,493	(d)	
Fair value loss on investment property and impairment loss on property and equipment	–	(121,800)	–	(20,889)	(d)	(142,689)
Excess over the cost of business combination	–	13,773	–	–		13,773
Share of result of jointly controlled entities	35,386	–	–	(35,386)	(b)	–
Finance costs	(3,405)	(100,892)	(29,469)	45,313	(a)(i)	(88,453)
Profit (loss) before taxation	261,446	(144,013)	(159,644)	122,748		80,537
Taxation	(36,922)	14,612	–	–		(22,310)
Profit (loss) for the year / period	224,524	(129,401)	(159,644)	122,748		58,227
Other comprehensive income						
Exchange difference arising on translation	(96)	–	–	–		(96)
(Deficit) surplus on revaluation of properties	(13)	–	–	–		(13)
Deferred tax liability arising on revaluation of properties	3	–	–	–		3
Other comprehensive income for the year	(106)	–	–	–		(106)
Total comprehensive income for the year	224,418	(129,401)	(159,644)	122,748		58,121

	The Group for the year ended 31 March 2010	Great China Group for the period from 1 January 2009 to 31 March 2010	GW Entertainment for the period from 1 January 2009 to 31 March 2010	Pro forma adjustments		The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Profit (loss) for the year attributable to:						
Owners of the Company	224,212	(129,391)	(159,644)	223,910		159,087
Non-controlling interests	312	(10)	–	(101,162)	(e)	(100,860)
	224,524	(129,401)	(159,644)	122,748		58,227
Total comprehensive income attributable to:						
Owners of the Company	224,106	(129,391)	(159,644)	223,910		158,981
Non-controlling interests	312	(10)	–	(101,162)	(e)	(100,860)
	224,418	(129,401)	(159,644)	122,748		58,121

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(a) Being elimination of transactions among the Group, Great China Group and GW Entertainment, including :

(i) interest income and finance costs of HK$15,393,000 and HK$45,313,000 in respect of the amounts advanced by the Group to Great China Group and GW Entertainment. The Group did not recognise interest income on certain amounts due from GW Entertainment during the year ended 31 March 2010 due to uncertainty of recoverability;

(ii) rental and management income charged by Great China Group to GW Entertainment of HK$125,143,000;

(iii) as set out in note (f) to unaudited pro forma consolidated statement of financial position, certain properties of Great China Group will be transferred from investment properties (measured at fair value) to property and equipment (measured at cost less accumulated depreciation and impairment losses), no addition depreciation for the period has been recognised as the related properties have already been written down to its fair value during the period.

(b) Being reversal of share of result of jointly controlled entities as Great China and GW Entertainment become non-wholly owned subsidiaries of the Company after completion of the Acquisition Agreements.

(c) Being recognition of gain on derecognition of interest in jointly controlled entities:

	HK$'000
Fair value of 50% equity interest in Great China Group	793,317
Interest in jointly controlled entities derecognised	(665,103)
	128,214

The fair value of 50% equity interest in Great China Group has been estimated by reference to the Great China Consideration of HK$295,928,000 without taking into account the effect of any control premium. Great China Consideration of HK$295,928,000 is determined as 15% of the net sum of HK$3,000 million less outstanding bank loan as at the beginning of the period which amounted to HK$1,027,147,000 and the effect of the acquisition of shareholders' loan.

The fair value of the 50% equity interest in Great China Group will be assessed upon completion of the Great China Acquisition and, accordingly, the gain on derecognition of interest in jointly controlled entities is subject to change.

(d) Being reclassification of fair value gain on investment properties and impairment loss on property and equipment.

(e) Allocation of the 35% share of loss of Great China Group and GW Entertainment amounting to HK$101,162,000 to non-controlling interests.

D. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP

	The Group for the year ended 31 March 2010	Great China Group for the period from 1 January 2009 to 31 March 2010	GW Entertainment for the period from 1 January 2009 to 31 March 2010	Pro forma adjustments	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Operating activities						
Profit (loss) before taxation	261,446	(144,013)	(159,644)	122,748	(f)	80,537
Adjustments for:						
Share of result of jointly controlled entities	(35,386)	–	–	35,386	(a)	–
Depreciation and amortisation	6,876	33,168	62,174	–		102,218
Impairment loss in respect of club membership	400	–	–	–		400
Impairment loss recognised in respect of property and equipment	–	29,493	–	(29,493)	(h)	–
Net impairment loss in respect of loans and advances	1,056	–	–	–		1,056
Reversal of impairment loss on loans to securities margin clients	(4,127)	–	–	–		(4,127)
Share-based payment expenses	3,314	–	–	–		3,314
Fair value (gain) loss on investment properties and impairment loss on property and equipment	(8,604)	121,800	–	29,493	(h)	142,689
Interest expenses	3,128	100,892	29,469	(45,313)	(g)	88,176
Interest income	(155,191)	(7)	(1,500)	15,393	(g)	(141,305)
Excess over the cost of business combination	–	(13,773)	–	–		(13,773)
(Gain) loss on disposal of property and equipment	(1)	91	–	–		90
Loss on disposal of other assets	–	–	751	–		751
Fair value gain on financial assets at fair value through profit or loss	(12,048)	–	–	–		(12,048)
Gain on derecognition of interest in jointly controlled entities	–	–	–	(128,214)	(i)	(128,214)
Operating cash flows before movements in working capital	60,863	127,651	(68,750)	–		119,764
Increase in accounts receivable	(126,490)	–	–	–		(126,490)
Decrease (increase) in loans and advances	178,271	–	(40,000)	–		138,271
Increase in properties under development for sale	(157)	–	–	–		(157)
Increase in prepayments, deposits and other receivables	(424)	(38,743)	(82,771)	–		(121,938)
Decrease in financial assets classified as held for trading	1,571	–	–	–		1,571
Increase in inventories	–	(133)	–	–		(133)
Increase in bank balances - client accounts	(83,999)	–	–	–		(83,999)
(Decrease) increase in accounts payable	(11,517)	2,189	–	–		(9,328)
Increase (decrease) in accrued charges and other accounts payable	1,257	–	(48,272)	–		(47,015)

	The Group for the year ended 31 March 2010	Great China Group for the period from 1 January 2009 to 31 March 2010	GW Entertainment for the period from 1 January 2009 to 31 March 2010	Pro forma adjustments		The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Cash generated from (used in) operations	19,375	90,964	(239,793)	–		(129,454)
Interest income received	139,121	7	663	–		139,791
Hong Kong Profits Tax paid	(28,379)	–	–	–		(28,379)
Net cash from (used in) operating activities	130,117	90,971	(239,130)	–		(18,042)
Investing activities						
Purchase of financial assets designated as at fair value through profit or loss	(82,327)	–	–	–		(82,327)
Redemption of financial assets designated as at fair value through profit or loss	48,885	–	–	–		48,885
Payment for acquisition of a subsidiary	(50,000)	–	–	–		(50,000)
Proceeds on disposal of property and equipment	1	–	–	–		1
Proceeds on disposal of investment properties	5,780	–	–	–		5,780
Purchase of club membership	(900)	–	–	–		(900)
Decrease in other assets	1,409	–	–	–		1,409
Purchase of property and equipment	(367)	(7,958)	(29,837)	–		(38,162)
Purchase of other assets	–	–	(10,642)	–		(10,642)
Acquisition of subsidiaries, net of cash and cash equivalent acquired	–	12,225	–	(281,847)	(b)	(269,622)
Advance to jointly controlled entities	(64,500)	–	–	64,500	(c)	–
Amounts due from related companies	–	44,768	(53,164)	8,396	(d)	–
Deposit for acquisition of a yacht	(12,924)	–	–	–		(12,924)
Net cash (used in) from investing activities	(154,943)	49,035	(93,643)	(208,951)		(408,502)

	The Group for the year ended 31 March 2010	Great China Group for the period from 1 January 2009 to 31 March 2010	GW Entertainment for the period from 1 January 2009 to 31 March 2010	Pro forma adjustments		The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
Financing activities						
Increase in amounts due to non-controlling shareholders of subsidiaries	3,326	–	–	248,315	(e)	251,641
Proceeds on issue of shares by placements	209,950	–	–	–		209,950
Proceeds on issue of convertible notes	158,400	–	–	–		158,400
Proceeds on issue of shares on exercise of share options	20,900	–	–	–		20,900
Loans from shareholders	–	59,500	353,315	(412,815)	(e)	–
Amount due to a holding company	–	(100)	–	–		(100)
Amount due to a related company	–	37,974	–	(8,396)	(d)	29,578
Bank loans raised	579,000	–	–	–		579,000
Interest paid	(1,923)	(26,312)	–	–		(28,235)
Dividends paid	(77,140)	–	–	–		(77,140)
Dividends paid to non-controlling shareholders of subsidiaries	(106)	–	–	–		(106)
Capital contribution from non-controlling shareholders of subsidiaries	–	9	–	–		9
Repayment of bank loans	(579,000)	(197,265)	–	–		(776,265)
Net cash from (used in) financing activities	313,407	(126,194)	353,315	(172,896)		367,632
Net increase in cash and cash equivalents	288,581	13,812	20,542	(381,847)		(58,912)
Effect of foreign exchange rate changes	(2,725)	–	–	–		(2,725)
Cash and cash equivalents at beginning of the year/period	94,834	15,840	(1,759)	(14,081)	(b)	94,834
Cash and cash equivalents at end of the year/period	380,690	29,652	18,783	(395,928)		33,197

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Being reversal of share of result of jointly controlled entities.

(b) Recognition of net cash outflow as if the Acquisition Agreements were completed at the beginning of the period:

	HK$'000
Cash consideration	
Cash and cash equivalent at the beginning of the period	295,928
– held by Great China	(15,840)
– held by GW Entertainment	1,759
	281,847

Cash consideration of HK$295,928,000 is determined as 15% of the net sum of HK$3,000 million less outstanding bank loan as at the beginning of the period which amounted to HK$ 1,027,147,000.

(c) Being elimination of loan advanced from the Group to Great China and GW Entertainment.

(d) Being elimination of fund transfers between Great China Group and GW Entertainment.

(e) Being elimination of loans from shareholders amounting to HK$164,500,000; and reclassification of HK$248,315,000 as amounts due to non-controlling shareholders. HK$100 million was advanced by the Group to GW Entertainment during the three months from 1 January 2009 to 31 March 2009.

(f) Refers to notes (a) to (c) to the unaudited pro forma consolidated statement of comprehensive income of the Enlarged Group.

(g) Refers to note (a)(i) to the unaudited pro forma consolidated statement of comprehensive income of the Enlarged Group.

(h) Refers to note (d) to the unaudited pro forma consolidated statement of comprehensive income of the Enlarged Group.

(i) Refers to note (c) to the unaudited pro forma consolidated statement of comprehensive income of the Enlarged Group.

2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the text of a report from Deloitte Touche Tohmatsu, the independent reporting accountants, in respect of the unaudited pro forma financial information of the Enlarged Group as set out in this Appendix and prepared for the sole purpose of inclusion in this circular.

TO THE DIRECTORS OF GET NICE HOLDINGS LIMITED

Get Nice Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), Great China Company Limited and Grand Waldo Entertainment Limited (together with the Group, hereinafter collectively referred to as the "Enlarged Group")

We report on the unaudited pro forma financial information of the Enlarged Group set out in Appendix V on pages 143 to 156 of the circular dated 31 July 2010 (the "Circular") under the heading of "Unaudited Pro Forma Financial Information of the Enlarged Group" (the "Unaudited Pro Forma Financial Information") in connection with the proposed very substantial acquisition and connected transaction relating to acquisitions of an additional 15% interest in Great China Company Limited and Grand Waldo Entertainment Limited (the "Transactions"). The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, to provide information about how the Transactions might have affected the financial information presented. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages 143 to 156 of the Circular.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the Directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro

Forma Financial Information with the Directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgments and assumptions of the Directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of Enlarged Group as at 31 March 2010 or any future date; or
- the results and cash flows of the Enlarged Group for the period ended 31 March 2010 or any future period.

Opinion

In our opinion:

a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors of the Company on the basis stated;

b) such basis is consistent with the accounting policies of the Group to the extent that such policies continue to be effective for the Group's financial year beginning on 1 April 2010; and

c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

31 July 2010

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors and chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company ("Model Code") or were required to be entered into the register required to be kept under section 352 of the SFO were as follows:

(i) Long positions in Shares

Name of Director	Capacity	Number of issued Shares held	Percentage of issued share capital of the Company
Hung Hon Man	Interest of controlled corporation *(Note)*	1,172,448,583	27.59%

Note: Mr. Hung Hon Man is deemed to be interested in 1,172,448,583 ordinary shares of the Company which are held by Honeylink Agents Limited ("Honeylink"), a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Hung Hon Man.

(ii) Long positions in the non-voting shares of HK$1.00 each in Get Nice Securities Limited ("GNS"), a wholly owned subsidiary of the Company

Name of Director	Capacity	Number of issued shares held	Percentage of the issued non-voting deferred shares of GNS
Hung Hon Man	Beneficial owner	36,000,000	90%
Shum Kin Wai, Frankie	Beneficial owner	4,000,000	10%
		40,000,000	100%

Note: The non-voting deferred shares carry practically no rights to dividends nor to receive notice of nor to attend or vote at any general meeting of GNS and on liquidation, the assets of GNS available for distribution among the holders of ordinary shares and the holders of non-voting deferred shares shall be applied first in paying to the holders of ordinary shares the sum of HK$1,000,000,000,000 per ordinary share and secondly in repaying to the holders of non-voting deferred shares the nominal amount paid up or credited as paid up on such shares, and the balances of the GNS's assets shall belong to and be distributed among the holders of ordinary shares in proportion to the amount paid up or credited as paid up on such ordinary shares respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or the Model Code or were required to be entered into the register required to be kept under section 352 of the SFO.

3. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Enlarged Group which does not expire or is not terminable by such member of the Enlarged Group within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, no member of the Enlarged Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective associates were considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Enlarged Group.

6. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

No contract or arrangement in which any of the Directors is materially interested and which is significant in relation to the business of the Enlarged Group subsisted as at the Latest Practicable Date. As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2010 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

7. EXPERTS AND CONSENTS

The following is the qualification of the experts whose letters and reports are contained in this circular:

Name	**Qualification**
Veda Capital	a licensed corporation to carry out type 6 regulated activity (advising on corporate finance) under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
WH Tang & Partners CPA limited	Certified Public Accountants
Savills Valuation and Professional Services Limited	Professional property valuer
CB Richard Ellis Limited	Professional property valuer

Each of Veda Capital, Deloitte Touche Tohmatsu, WH Tang & Partners CPA Limited, Savills Valuation and Professional Services Limited and CB Richard Ellis Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and the reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of Veda Capital, Deloitte Touche Tohmatsu, WH Tang & Partners CPA Limited, Savills Valuation and Professional Services Limited and CB Richard Ellis Limited has any shareholding directly or indirectly, in any member of the Enlarged Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group.

As at the Latest Practicable Date, none of Veda Capital, Deloitte Touche Tohmatsu, WH Tang & Partners CPA Limited, Savills Valuation and Professional Services Limited and CB Richard Ellis Limited has any direct or indirect interest in any assets which have been, since 31 March 2010 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, are entered into by members of the Enlarged Group within the two years immediately preceding the Latest Practicable Date and which are or may be material:

(a) the letter of intent (the "Letter of Intent") dated 29 December 2008 entered into between Gainventure Holdings Limited ("Gainventure") and FPI in relation to a possible acquisition of an additional 3% shareholding and equity interest in and corresponding amount of shareholders' loan due by Great China;

(b) the termination agreement dated 12 February 2009 entered into between Gainventure and FPI in relation to the termination of the Letter of Intent;

(c) the sale and purchase agreement dated 12 February 2009 entered into between Gainventure (as purchaser) and Mr. Cheung (as vendor) in relation to the purchase of the entire issued share capital of and all shareholders' loans due by Group Success International Limited for a total consideration of HK$100 million;

(d) the sale and purchase agreement dated 12 February 2009 entered into between Clever Switch (as purchaser) and Wise Gain (as vendor) in relation to the purchase of 50% shareholding and equity interest in and corresponding amount of shareholders' loans due by GW Entertainment for a total consideration of HK$2;

(e) the loan agreement dated 12 February 2009 entered into between the Company (as lender) and GW Entertainment (as borrower) regarding a loan for an amount of HK$100 million without interest;

(f) the placing agreement dated 11 May 2009 entered into between the Company and Get Nice Securities Limited (as placing agent) regarding the private placement of convertible bonds of an aggregate principal amount of HK$158.4 million at the conversion price of HK$0.25 per conversion Share;

(g) the placing agreement dated 15 September 2009 entered into between the Company and CCB International Capital Limited (as placing agent) regarding the placing of 109,000,000 new Shares at the placing price of HK$0.55 per placing Share;

(h) the subscription agreement dated 16 March 2010 entered into between the Company and Honeylink (as vendor) regarding the top-up subscription of 300,000,000 new Shares by Honeylink at the top-up subscription price of HK$0.5 per Share;

(i) the Great China Agreement; and

(j) the GW Entertainment Agreement.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2010, the date to which the latest published audited accounts of the Group were made up.

10. MISCELLANEOUS

(a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands.

(b) The head office and principal place of business of the Company in Hong Kong is at 10th Floor, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(d) The company secretary of the Company is Mr. Hung Sui Kwan, FCCA, CPA (Practising).

(e) The English text of this circular, the notice of the EGM and the accompanying form of proxy shall prevail over their respective Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at 10th Floor, Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong, from the date of this circular up to and including the date of the EGM:

(a) the memorandum of association and articles of association of the Company;

(b) the annual reports of the Company for each of the two financial years ended 31 March 2010 and 31 March 2009;

(c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(d) the letter of advice from Veda Capital as set out in this circular;

(e) the letters of consent referred to in the paragraph headed "Experts and Consents" in this appendix;

(f) the accountants' report on the Great China Group, the text of which is set out in Appendix II of this circular;

(g) the accountants' report on GW Entertainment, the text of which is set out in Appendix III of this circular;

(h) the accountants' report on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix V of this circular; and

(i) the valuation reports on the property interests of the Enlarged Group, the text of which is set out in Appendix IV of this circular.

GET NICE HOLDINGS LIMITED
結好控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0064)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of Get Nice Holdings Limited (the "Company") will be held at 10/F., Cosco Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong on Thursday, 26 August 2010 at 11:00 a.m. (or immediately after the closing of the annual general meeting to be held on 26 August 2010, referring to the notice of the annual general meeting dated 27 July 2010) for the purpose of considering, and if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(1) **THAT**:

(a) the sale and purchase agreement dated 18 May 2010 (the "**Great China Agreement**") (a copy of which with the draft shareholders' agreement in relation to Great China Company Limited ("**Great China**") (the "**GC Shareholders' Agreement**") to be executed upon completion of the Great China Agreement annexed, signed by the Chairman of the meeting for the purpose of identification, has been produced to the meeting marked "A") made between More Profit International Limited ("**More Profit**") as purchaser and Fast Profit Investments Limited ("**FPI**") as vendor pursuant to which More Profit has agreed to purchase 15% of the shareholding and equity interest in Great China and corresponding amount of shareholders' loan due by Great China to FPI and the transactions contemplated thereunder (including the signing of the GC Shareholders' Agreement), be and are hereby approved, confirmed and ratified; and

(b) the board of directors of the Company ("**Board**") be and is hereby generally and unconditionally authorized to do all such acts and things and execute all such documents as it considers necessary or expedient or desirable in connection with or to give effect to the Great China Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendments or waivers of matters relating thereto as are, in the opinion of the Board, in the interest of the Company.

(2) **THAT**:

(a) the sale and purchase agreement dated 18 May 2010 (the "**GW Entertainment Agreement**") (a copy of which with the draft shareholders' agreement in relation to Grand Waldo Entertainment Limited ("**GW Entertainment**") (the "**GWE Shareholders' Agreement**") to be executed upon completion of the GW Entertainment Agreement annexed, signed by the Chairman of the meeting for the purpose of identification, has been produced to the meeting marked "B") made between Clever Switch Limited ("**Clever Switch**") as purchaser and Wise Gain Profits Limited ("**Wise Gain**") as vendor pursuant to which Clever Switch has agreed to purchase 15% of the shareholding and equity interest in GW Entertainment and corresponding amount of shareholders' loan due by GW Entertainment to Wise Gain and the transactions contemplated thereunder (including the signing of the GWE Shareholders' Agreement), be and are hereby approved, confirmed and ratified; and

(b) the Board be and is hereby generally and unconditionally authorized to do all such acts and things and execute all such documents as it considers necessary or expedient or desirable in connection with or to give effect to the GW Entertainment Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendments or waivers of matters relating thereto as are, in the opinion of the Board, in the interest of the Company.

By Order of the Board
Get Nice Holdings Limited
Hung Hon Man
Chairman

Registered office:
Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
10th Floor, Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

Hong Kong, 31 July 2010

Notes:

(1) Any member entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.

(2) To be valid, a form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited as soon as possible to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, and in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof.

(3) Completion and return of the proxy form will not preclude members from attending and voting in person at the meeting or at any adjournment thereof (as the case may be) should they so wish, and in such event, the instrument appointing a proxy shall be revoked.

(4) A form of proxy for use at the meeting is enclosed herewith.

(5) As at the date of this notice, the executive Directors are Mr. Hung Hon Man (Chairman), Mr. Cham Wai Ho, Anthony, Mr. Shum Kin Wai, Frankie, Mr. Wong Sheung Kwong and Mr. Cheng Wai Ho and the independent non-executive Directors are Mr. Liu Chun Ning, Wilfred, Mr. Man Kong Yui and Mr. Kwong Chi Kit, Victor.