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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in **Hanison Construction Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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(Stock Code: 896)

**MAJOR TRANSACTION  
IN RELATION TO DISPOSAL OF THE ENTIRE INTEREST IN  
GENERAL MARK HOLDINGS LIMITED**

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## DEFINITIONS

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*In this circular and the appendices to it, unless the context otherwise requires, the following terms and expression have the following meanings:*

“Announcements”	the announcements of the Company dated 15 July 2019 and 26 July 2019
“Board”	the board of Directors
“Business Day”	means any day on which banks are generally open for business in Hong Kong (excluding Saturdays, Sundays and public holidays)
“BVI”	the British Virgin Islands
“Company”	Hanison Construction Holdings Limited (stock code: 896), a company incorporated under the laws of the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement
“Completion Date”	15 August 2019 or such other date as the Vendor and Purchaser may agree in writing on which Completion shall take place in accordance with the terms of the Sale and Purchase Agreement
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	initially HK\$420,000,000, subject to adjustment (if any)
“Directors”	the directors of the Company
“Disposal”	the disposal of the Sale Share and assignment of the Sale Loan pursuant to the Sale and Purchase Agreement
“Further Deposit”	a sum of HK\$21,000,000 paid by the Purchaser to the Vendor’s solicitors as escrow agent on 15 July 2019
“Group”	the Company together with its subsidiaries
“Guarantor”	Hanison Construction Holdings (BVI) Limited, a limited liability company incorporated under the laws of the BVI
“HIBOR”	the Hong Kong Interbank Offered Rate

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Deposit”	a sum of HK\$21,000,000 paid by the Purchaser to the Vendor’s solicitors as escrow agent on 31 May 2019
“Latest Practicable Date”	15 August 2019, being the latest practicable date for ascertaining certain information referred to in this circular prior to its printing
“Letter of Intent”	the letter of intent dated 31 May 2019 entered into between the Vendor and the Purchaser relating to the Disposal
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NAV”	net asset value, i.e. the total consolidated assets of the Target Group (other than the value of the Property, leasehold improvement, furniture and fixtures, equipment and deferred tax assets (if any)); <i>minus</i> the total consolidated liabilities of the Target Group (other than the liability in respect of any shareholder loan (including the Sale Loan) and deferred tax liabilities arising from the commercial building allowance for the Property) as at Completion as shown in the pro-forma completion accounts or the completion accounts (as the case may be)
“Property”	the property situated at Subsection 4 of Section A of Inland Lot No. 679, Subsection 5 of Section A of Inland Lot No. 679, Subsection 3 of Section A of Inland Lot No. 679 and Subsection 2 of Section A of Inland Lot No. 679 together with the messuages erections and buildings thereon now known as “One Eleven” (and formerly known as “ovolo”), at No. 111 (formerly Nos. 109, 111, 113 and 115) High Street, Hong Kong
“Purchaser”	Elevest Limited, an exempted company incorporated under the laws of the Cayman Islands
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 July 2019 entered into among the Vendor, the Guarantor and the Purchaser in respect of the Disposal

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## DEFINITIONS

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“Sale Loan”	the loan owing by the Target Company to the Vendor as at Completion to be shown in the pro-forma completion accounts
“Sale Share”	one (1) share representing the entire issued share capital of the Target Company
“SFO”	the Securities and Futures Ordinances (Chapter 571 of the Laws of Hong Kong)
“shareholder(s)”	holder(s) of the ordinary shares of HK\$0.1 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning as ascribed to it under the Listing Rules
“Subsidiary”	Masswell International Limited (茂中國際有限公司), a limited liability company incorporated under the laws of Hong Kong
“Target Company”	General Mark Holdings Limited (廣誌控股有限公司), a limited liability company incorporated under the laws of the BVI
“Target Group”	the Target Company together with its subsidiary
“Target Group Company”	any of the companies within the Target Group as the context may require
“Vendor”	Shangzhi Limited (尚志有限公司), a limited liability company incorporated under the laws of the BVI
“%”	per cent

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## LETTER FROM THE BOARD

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*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 896)

*Directors:*

Mr. Cha Mou Sing, Payson (*Chairman*)\*  
Mr. Wong Sue Toa, Stewart (*Managing Director*)  
Mr. Tai Sai Ho (*General Manager*)  
Mr. Lo Kai Cheong  
Mr. Cha Mou Daid, Johnson\*  
Dr. Zhang Wei\*  
(also alternate director to Mr. Cha Mou Sing, Payson)  
Mr. Chan Pak Joe<sup>#</sup>  
Dr. Lau Tze Yiu, Peter<sup>#</sup>  
Dr. Sun Tai Lun<sup>#</sup>

\* *Non-executive Directors*

<sup>#</sup> *Independent Non-executive Directors*

*Registered Office:*

P.O. Box 309, Uglad House  
Grand Cayman, KY1-1104  
Cayman Islands

*Principal Place of*

*Business in Hong Kong:*  
22/F., Kings Wing Plaza 1,  
3 On Kwan Street  
Shek Mun  
Shatin, New Territories  
Hong Kong

23 August 2019

*To the shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION IN RELATION TO DISPOSAL OF THE ENTIRE INTEREST IN GENERAL MARK HOLDINGS LIMITED**

#### **INTRODUCTION**

References are made to the Announcements of the Company in relation to the Disposal.

On 15 July 2019, the Vendor (an indirect wholly-owned subsidiary of the Company), the Guarantor (a direct wholly-owned subsidiary of the Company), and the Purchaser entered into the Sale and Purchase Agreement in relation to the Disposal, pursuant to which (i) the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Share (representing the entire issued and paid up share capital of the Target Company), free from all encumbrances, and (ii) the Vendor conditionally agreed to assign and the Purchaser conditionally agreed to take the assignment of the benefit of the Sale Loan, collectively at the Consideration of HK\$420,000,000 (subject to adjustment, if any).

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, further details of the Disposal and other information required under the Listing Rules.

### THE SALE AND PURCHASE AGREEMENT

#### Date

15 July 2019

#### Parties

- (1) Vendor: Shangzhi Limited, an indirect wholly-owned subsidiary of the Company
- (2) Purchaser: Elevest Limited
- (3) Guarantor: Hanison Construction Holdings (BVI) Limited, a direct wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and the connected persons of the Company.

#### Subject Matter

The Sale Share, representing the entire issued and paid up capital of the Target Company, free from all encumbrances; and the benefit of the Sale Loan.

The sole direct wholly-owned subsidiary of the Target Company (the "**Subsidiary**") is the sole owner of the Property situated at Subsection 4 of Section A of Inland Lot No. 679, Subsection 5 of Section A of Inland Lot No. 679, Subsection 3 of Section A of Inland Lot No. 679 and Subsection 2 of Section A of Inland Lot No. 679 together with the messuages erections and buildings thereon now known as "One Eleven" (formerly known as "ovolo"), at No. 111 (formerly Nos. 109, 111, 113 and 115) High Street, Hong Kong.

The Disposal shall be conducted with the Property subject to the existing tenancies (to the extent they have not expired) as set out in the Sale and Purchase Agreement.

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## LETTER FROM THE BOARD

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### Consideration

The Consideration shall initially be HK\$420,000,000, subject to adjustment (if any) by reference to the NAV, which shall be paid by the Purchaser to the Vendor in the following manner:

- (1) a sum of HK\$21,000,000 has been paid to the Vendor's solicitors as escrow agent under the Letter of Intent of 31 May 2019 (the "**Initial Deposit**");
- (2) a sum of HK\$21,000,000 has been paid to the Vendor's solicitors as escrow agent upon the signing of the Sale and Purchase Agreement on 15 July 2019 (the "**Further Deposit**");
- (3) the remaining balance of the Consideration, as adjusted according to the following formula shall be paid by the Purchaser to the Vendor or the Vendor's solicitors upon Completion:
  - (a) there shall be added to the Consideration the amount of NAV as set out in the pro-forma completion accounts made up to the Completion Date if it is a positive amount; or
  - (b) there shall be deducted from the Consideration the amount of NAV as set out in the pro-forma completion accounts made up to the Completion Date if it is a negative amount; and
- (4) a sum in respect of the final adjustment of the Consideration as determined according to the following formula shall be paid by the Purchaser or the Vendor (as the case may be) on a dollar-for-dollar basis within 15 Business Days after finalisation of the completion accounts:
  - (a) there shall be added to the Consideration the amount (if any) by which the NAV determined by reference to the completion accounts made up to the Completion Date is more than the NAV as set out in the pro-forma completion accounts made up to the Completion Date; or
  - (b) there shall be deducted from the Consideration the amount (if any) by which the NAV determined by reference to the completion accounts made up to the Completion Date is less than the NAV as set out in the pro-forma completion accounts made up to the Completion Date.

The Consideration was arrived at after arm's length negotiation between the Purchaser and the Vendor having considered the offer price of comparable properties in nearby locations. On 15 August 2019, a sum of approximately HK\$379,835,249 as the remaining balance of the Consideration has been paid to the Vendor's solicitors as escrow agent upon Completion.

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## LETTER FROM THE BOARD

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### Conditions Precedent

Completion is subject to the satisfaction or waiver of the following conditions precedent:

- (a) the transactions contemplated under the Sale and Purchase Agreement being transacted in accordance with the requirements under the applicable Listing Rules;
- (b) no material part of the Property (i.e. such part(s) of the Property which comprise(s), in total, 10% or more of the total gross floor area of the Property) having been destroyed, condemned, closed or declared dangerous under the Buildings Ordinance or the Demolished Buildings (Re-development of Sites) Ordinance (Cap.337 of the Laws of Hong Kong);
- (c) no Target Group Company, without the prior written consent of the Purchaser, having entered into any agreement between the date of the Sale and Purchase Agreement and Completion that materially and adversely affects the use of the Property or has a material adverse effect on the Property or a Target Group Company, which exceeds the amount of HK\$1,000,000, other than, amongst other things, in the ordinary course of business; and
- (d) the fundamental warranties (as defined in the Sale and Purchase Agreement) remaining true and correct as at the Completion Date.

The Purchaser may waive any of the conditions precedent set out in the Sale and Purchase Agreement save for the condition precedent set out in paragraph (a) above.

If any of the conditions precedent has not been satisfied in full (or waived) on or before the Completion Date, the Vendor shall return the Initial Deposit and the Further Deposit (without interest or cost) to the Purchaser, in which event none of the parties shall have any further claim or cause of action against any other party.

If the Vendor does not proceed to Completion on the Completion Date where all conditions precedent have been satisfied in full (or waived), the Vendor shall return the Initial Deposit and the Further Deposit (without interest or cost) to the Purchaser, and immediately upon demand, pay to the Purchaser an amount equivalent to the aggregate value of the Initial Deposit and Further Deposit. The Purchaser can in addition claim damages for the Vendor's breach of the Sale and Purchase Agreement and/or seek specific performance of its obligations under the Sale and Purchase Agreement.

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## LETTER FROM THE BOARD

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If the Purchaser does not proceed to Completion on the Completion Date where all conditions precedent have been satisfied in full (or waived), the Vendor may retain and forfeit the Initial Deposit and the Further Deposit and in addition claim damages for the Purchaser's breach of the Sale and Purchase Agreement and/or seek specific performance of its obligations under the Sale and Purchase Agreement. As at the Latest Practicable Date, all of the conditions precedent have been fulfilled.

### Guarantee

The Guarantor has agreed to guarantee the performance and observance by the Vendor of its obligations, commitments and warranties under the Sale and Purchase Agreement.

### Completion

Completion, with the fulfilment of all conditions precedent as set out in the Sale and Purchase Agreement, has taken place on 15 August 2019.

### INFORMATION ON THE TARGET COMPANY, SUBSIDIARY AND PROPERTY

The Target Company is an investment holding company with the sole purpose of holding the Subsidiary. The Subsidiary is a property holding company with the sole purpose of holding the Property.

The Property is a serviced apartment building named "One Eleven" situated at No. 111 High Street, Hong Kong, with an aggregate gross floor area of approximately 19,792 square feet. According to the property valuation report prepared by Colliers International (Hong Kong) Limited, an independent professional property valuer, which is set out in Appendix II to this circular, the market value of the Property as at 30 June 2019 was HK\$420,000,000.

Set out below is a summary of certain unaudited consolidated financial information of the Target Group for each of the financial years ended 31 March 2018 and 31 March 2019:

	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2019</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Net profit before taxation and extraordinary items	20,830	6,749
Net profit after taxation and extraordinary items	20,830	6,749

The unaudited consolidated net asset value of the Target Group as at 31 March 2019 was approximately HK\$180,534,000.

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## LETTER FROM THE BOARD

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Upon Completion, each member of the Target Group will cease to be a subsidiary of the Group and their financial results will no longer be consolidated with the financial statements of the Group.

### INFORMATION ON THE COMPANY

The Company is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. The principal business activities of the Company and its subsidiaries are construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sale of health products.

### INFORMATION ON THE VENDOR AND THE GUARANTOR

The Vendor is an investment holding company incorporated in BVI and an indirect wholly-owned subsidiary of the Company.

The Guarantor is an investment holding company incorporated in BVI and a direct wholly-owned subsidiary of the Company.

### INFORMATION ON THE PURCHASER

The Purchaser is an exempted company incorporated in the Cayman Islands, carrying out the principal activity of investment holding. The penultimate beneficial owner of the Purchaser is a pension fund, which is incorporated under the laws of the State of Washington, the United States.

### REASONS FOR AND BENEFIT OF THE DISPOSAL

The Directors undertake strategic reviews of the Company's assets from time to time with a view to maximising returns to the shareholders of the Company. The Directors consider that the current market presents a good opportunity for the Company to unlock the value of the Target Group. Accordingly, the Directors believe that the Disposal will enable the Company to reallocate capital into future investment opportunities and pursue the growth of property investment business.

The Directors (including the independent non-executive Directors) consider that the Disposal and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### FINANCIAL IMPACT TO THE GROUP AND USE OF PROCEEDS

The Property was previously leased out and has generated an annual rental income of approximately HK\$6,110,000 and HK\$7,484,000, respectively, for the financial years ended 31 March 2018 and 31 March 2019. Upon Completion, the Group will lose rental income from the Disposal, which will have a negative effect on the earnings of the Group but will reduce expenses incurred in respect of the Target Group.

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## LETTER FROM THE BOARD

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Upon Completion, the Group is expected to record a gain on change in fair value of investment properties of approximately HK\$62,000,000 (before costs, expenses and taxes relating to the Disposal) in the first half of the financial year ending 31 March 2020, which is calculated on the basis of the difference between the Consideration of the Disposal and the carrying value of the Property as at 31 March 2019. Since the date of acquisition of the holding vehicle of the Property on 17 July 2015 up to 31 March 2019, the Group has recognised an accumulated gain on change in fair value of investment properties in respect of the Property of approximately HK\$84,812,000. The total estimated accumulated gain on change in fair value of investment properties in respect of the Property from 17 July 2015 to the Completion Date will be approximately HK\$146,812,000 (before costs, expenses and taxes relating to the Disposal). The actual gain on the Disposal in the first half of the financial year ending 31 March 2020 to be recorded is subject to audit and may be different from the estimated amount.

The Group intends to apply all of the net proceeds from the Disposal to partially finance the proposed acquisition of certain industrial properties in Chai Wan and Kwun Tong as disclosed in the Company's announcement dated 16 July 2019. As at the Latest Practicable Date, the estimated capital requirement for the acquisition is approximately HK\$735,000,000, calculated with reference to the initial consideration for the proposed acquisition.

Apart from the aforementioned proposed acquisition, the Company has identified certain potential investment opportunities in relation to its property investment and property development businesses, the potential investment opportunities identified are still in the preliminary stage and the Company is in the process of reviewing the potential investment opportunities. As at the Latest Practicable Date, the Company has not entered into any binding agreements in relation to such potential investment opportunities. The Company will make announcements as and when appropriate in compliance with the requirements of the Listing Rules.

### LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the transaction contemplated in the Sale and Purchase Agreement exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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The Company has obtained written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from a closely allied group of shareholders comprising CCM Trust (Cayman) Limited and its subsidiaries and LBJ Regents Limited which are beneficially interested in 487,702,041 and 61,022,931 shares in the Company respectively, representing in total 50.30% of the entire issued share capital of the Company as at the Latest Practicable Date. CCM Trust (Cayman) Limited and LBJ Regents Limited hold shares in the Company as the trustees of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alios, Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, being Directors) are among the discretionary objects. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no shareholder has any material interest in the Disposal and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Disposal. As a result, no extraordinary general meeting will be convened for the purpose of approving the Disposal.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Disposal and the transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the shareholders as a whole, and would recommend the shareholders to vote in favour of the resolution to approve the Disposal and the transactions contemplated thereunder if the Company were to convene an extraordinary general meeting to approve the Disposal.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
By order of the Board  
**Wong Sue Toa, Stewart**  
*Managing Director*

The audited consolidated financial statements of the Group for the three years ended 31 March 2017, 2018 and 2019 are disclosed in the annual reports of the Company in respect of the same year dated 13 June 2017 (pages 124-284), 26 June 2018 (pages 138-307) and 25 June 2019 (pages 127-349), respectively, which have been published on the website of the Company ([www.hanison.com.hk](http://www.hanison.com.hk)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)), and which can be accessed by the direct hyperlinks below:

- (1) annual report of the Company for the year ended 31 March 2017 dated 13 June 2017 (pages 124-284):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0720/ltn20170720618.pdf>

- (2) annual report of the Company for the year ended 31 March 2018 dated 26 June 2018 (pages 138-307):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0719/ltn20180719326.pdf>

- (3) annual report of the Company for the year ended 31 March 2019 dated 25 June 2019 (pages 127-349):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0724/ltn20190724115.pdf>

## **1. WORKING CAPITAL**

After taking into account the available facilities from banks, the Group's internally generated funds and cash flows impact of the Disposal, in the absence of unforeseeable circumstances, the Directors are of the opinion that the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of this circular.

## **2. STATEMENT OF INDEBTEDNESS**

At the close of business on 30 June 2019, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had the following indebtedness:

- (a) unsecured bank loans of approximately HK\$150,000,000 and bank loans of approximately HK\$341,000,000 which were secured by certain leasehold land and buildings and investment properties of the Group. All the bank loans were guaranteed by one of the Company's subsidiaries; and
- (b) lease liabilities amounting to approximately HK\$7,053,000 which were secured by rental deposits amounting to approximately HK\$1,488,000 and unguaranteed, and lease liabilities amounting to approximately HK\$4,120,000 which were unsecured and unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 30 June 2019, the 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 acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or any material contingent liabilities.

### **3. 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 2019, being the date to which the latest published audited financial statements of the Group were made up.

### **4. FINANCIAL AND TRADING PROSPECTS**

For the year ended 31 March 2019, the audited consolidated revenue for continuing and discontinued operations was HK\$2,315,007,000 (for the year ended 31 March 2018: HK\$2,849,504,000) and audited consolidated net profits after tax was HK\$578,022,000 (for the year ended 31 March 2018: HK\$616,298,000).

The Group has been pursuing business opportunities to diversify its business into construction, interior and renovation works, supply and installation of building materials, property investment, property development, provision of property agency and management services and sales of health products over the years. The Group is continuously exploring investment opportunities to broaden the Group's revenue stream and enhance its profitability. The Company will, from time to time, assess the performance and prospects of each of its existing business and may consider adjusting its business portfolio including but not limited to further investment and/or realisations, when opportunity arises to strive for the best interest of the Group and the shareholders.

*The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Colliers International (Hong Kong) Limited, an independent valuer, in connection with its valuation as at 30 June 2019 of the Property to be disposed by the Group. Terms defined in this appendix applies to this appendix only.*

Colliers International (Hong Kong) Limited  
**Valuation & Advisory Services**  
Company Licence No: C-006052

Suite 5701 Central Plaza  
18 Harbour Road Wanchai  
Hong Kong



23 August 2019

**The Directors**

**Hanison Construction Holdings Limited**

22/F, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin  
New Territories, Hong Kong

Dear Sirs,

**Re: Valuation of One Eleven, 111 High Street, Sai Ying Pun, Hong Kong (the “Property”)**

**INSTRUCTIONS, PURPOSE AND VALUATION DATE**

In accordance with the instructions for us to value the Property in which Hanison Construction Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) have interests in Hong Kong, we confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for providing you with our opinion of the Market Value of 100% leasehold interests of the Property in its existing state, as at 30 June 2019 (the “**Valuation Date**”) for public disclosure purposes in relation to the disposal of the Property.

We hereby confirm that:

- We have no present or prospective interest in the Property and are not a related corporation of nor have a relationship with the Company.
- We are authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.
- The valuation has been prepared on a fair and unbiased basis.

**VALUATION BASIS**

Our valuation of the Property has been undertaken on the basis of the Market Value, which is defined by the Hong Kong Institute of Surveyors as “the estimated amount for which an asset or liability 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”.

**VALUATION STANDARDS**

The valuation is carried out in accordance with “The HKIS Valuation Standards (2017 Edition)” published by The Hong Kong Institute of Surveyors; and in compliance with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

**VALUATION METHODOLOGY**

In the course of our valuation, we have adopted the Market Approach.

The Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. By analysing such sales, which qualify as ‘arms-length’ transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of assets of a similar nature is available.

**TITLE INVESTIGATIONS**

We have not been provided with extracts from title documents relating to the Property but have conducted searches at the Land Registry. We have not, however, been provided with the original documents to verify the ownership, nor to ascertain the existence of any amendments which may not appear on our searches. We do not accept any liability for any interpretation which we have placed on such information, which is more properly in the sphere of your legal advisers.

**SOURCES OF INFORMATION**

We have relied to a considerable extent on the information provided by the Company on such matters as tenancy schedules, tenure, floor areas, building plans and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable.

#### **SITE MEASUREMENT**

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are correct.

#### **SITE INSPECTION**

We have inspected the exterior of the Property. Our inspection of the Property was carried out by Stella Ho (MRICS and MHKIS) and Candy Tsang (MRICS), on 25 July 2019. During 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 as to whether the Properties is free of rot, infestation or any other structural defects. No tests were carried out on any of the services. Our valuation has been prepared on the assumption that these aspects are satisfactory.

We are unaware of any adverse ground conditions affecting the Property and have not had sight of a ground and soil survey. We have not carried out investigations on site to determine the suitability of the ground conditions and services etc. for any future developments. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the development period. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

#### **VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the Property can be sold on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, or any similar arrangements which would affect its value.

No allowances have been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxes 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 an onerous nature which could affect its value.

As the Property is held under long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired terms of the leasehold interests.

In addition, we have made the following assumptions:

- All information on the Property provided by the Company is correct.
- Proper ownership titles of and relevant planning approvals for the Property have been obtained, all payable land premiums, land-use rights fees and other relevant fees have been fully settled and the Property can be freely transferred, sub-let, mortgaged or otherwise disposed of.
- The Property has been fully developed, and is occupied and used in full compliance with, and without contravention of, all ordinances and regulations except only where otherwise stated.

### **CURRENCY**

All monetary figures stated in this report are in Hong Kong Dollars (“**HKD**”).

Our valuation of the Property is set out on the Valuation Particulars attached hereto, which together with this covering letter, form our valuation report.

Yours faithfully,

For and on behalf of

**Colliers International (Hong Kong) Limited**

**Stella Ho**

*MSc BSSc (Hons) MRICS MHKIS RPS (GP) MCIREA*

*Senior Director*

*Valuation & Advisory Services*

*Note:* Stella Ho is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor under the Surveyors Registration Ordinance (Cap. 417) in the Hong Kong Special Administrative Region (“**Hong Kong**”). She is suitably qualified to carry out the valuation and has over 18 years’ experience in the valuation of properties of this magnitude and nature.

## VALUATION PARTICULARS

Property Interests held for investment by the Group in Hong Kong

Property	Description and tenure	Particulars of occupancy	Market Value of Property as at 30 June 2019
One Eleven, 111 High Street, Sai Ying Pun, Hong Kong (the "Property")	The Property comprises the whole of the Lots with a total site area of about 2,254 sq ft (209.416 sq m) according to the registered assignments plans of the Lots.	As advised by the Company, approximately 57.8% of the Property was leased	HKD420,000,000 (Hong Kong Dollars Four Hundred and Twenty Million Only)
All undivided shares of and in Sub-Section 2 of Section A of Inland Lot No. 679 and Sub-Section 3 of Section A of Inland Lot No. 679; the whole of Sub-Section 4 of Section A of Inland Lot No. 679, and Sub-Section 5 of Section A of Inland Lot No. 679 (the "Lots")	Erected on the Lots is a 26-storey composite building (including retail and serviced apartments), known as One Eleven Serviced Apartments.  As per the Occupation Permit issued by the Building Authority, the Property was completed in 1997.  According to the approved building plans, the total gross floor area of the Property is approximately 19,792 sq ft (1,838.691 sq m).  The Lots are held under Government Lease for a term of 999 years commencing from 25 June 1861. A total annual Government rent payable for the Lots is HKD16 (HKD4 for each individual lot).	subject to various tenancies with the latest expiry date on 17 April 2020 as of the valuation date, at a total monthly rent of HKD681,960 inclusive of Government Rent, Rates and management fees. The remaining portion of the Property was vacant.	

## Notes:

1. The registered owner of the Property is Masswell International Limited registered vide Assignment No. 10060403070033 dated 18 May 2010.
2. As at the valuation date, the Property is subject to the following encumbrances:
  - a) Occupation Permit (Permit No. H28/97) registered vide Memorial No. 10071902880354 dated 6 June 1997
  - b) Memorandum on Designation of Building Name registered vide Memorial No. 11051702970172 dated 6 May 2011
  - c) Memorandum of Change of Building Name registered vide Memorial No. 15073101950012 dated 24 July 2015
  - d) Offensive Trade Licence from District Lands Officer/Hong Kong West & South registered vide Memorial No. 16092600660256 dated 2 September 2016

3. The Lots are held under Government Leases. The salient conditions are summarised below: -

The said Lessee, his Executors, Administrators or Assigns, or any other person or persons, shall not nor will, during the continuance of this demise, use, exercise or follow, in or upon the said premises, or any part thereof, the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of tallow, Oilman, Butcher, Distiller, Victualler, or Tavern-keeper, Blacksmith, Nightman, Scavenger, or any other noisy noisome or offensive trade or business whatever, without the previous licence of His said Majesty, His Heirs, Successors or Assigns, signified in writing by the Governor of the said Colony of Hongkong, or other person duly authorized in that behalf.

4. As per the Offensive Trade Licence dated 2 September 2016, registered vide Memorial No. 16092600660256: -

- a) the trade of business of sugar-baker, oilman (excluding petrol filling station), butcher, victualler and tavern-keeper is permitted in or upon the subject lots;
- b) if the lots are developed, redeveloped or used at any time solely for the purpose of hotel(s), the owner shall not part with possession of or otherwise dispose of the Lots or any part thereof or any building or any interest therein or part of any building thereon or enter into any agreement so to do except as a whole; except granting licence to occupy any hotel room(s) and to use or occupy any car parking space(s) for a term not exceeding 12 calendar months in the aggregate including any right or renewal, and underletting or granting of licence to use or occupy any of the ancillary accommodation (retail shops, restaurants, pubs, fast food shops, entertainment facilities, business centres, facilities for fitness, health and sports, function rooms, exhibition facilities, conference facilities and automatic teller machines).

5. The Property falls within an area zoned “Residential (Group A) 1” under the Draft Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/32 gazetted on 21 September 2018.

6. The Property is located at No. 111 High Street of Sai Ying Pun, Hong Kong predominated by old and new residential and composite buildings, intermingled with schools. Sai Ying Pun MTR station is located in approximately 280 metres away.

## 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 Company. 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

### (a) Directors' Interests

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

#### (i) Long positions in the shares of the Company

Name	Capacity	Number of ordinary shares held	Total number of ordinary shares held	Approximate percentage of issued share
				<i>(Note 6)</i>
Cha Mou Sing, Payson	Beneficial owner	26,537,925		
	Interest of controlled corporations	20,321,502 <i>(Note 1)</i>		
	Beneficiary of discretionary trusts	531,981,820 <i>(Note 2)</i>	578,841,247	53.05%
Wong Sue Toa, Stewart	Beneficial owner	37,795,157		
	Interest of controlled corporation	4,270,975 <i>(Note 3)</i>		
	Interest of spouse	5,485,487 <i>(Note 4)</i>	47,551,619	4.35%
Tai Sai Ho	Beneficial owner	17,385,721	17,385,721	1.59%

Name	Capacity	Number of ordinary shares held	Total number of ordinary shares held	Approximate percentage of issued share (Note 6)
Lo Kai Cheong	Beneficial owner	7,674,137	10,222,559	0.93%
	Interest of spouse	2,548,422 (Note 5)		
Cha Mou Daid, Johnson	Beneficiary owner	8,963,500	548,464,461	50.27%
	Beneficiary of discretionary trusts	539,500,961 (Note 2)		
Zhang Wei	Beneficial owner	4,288,000	4,288,000	0.39%
Chan Pak Joe	Beneficial owner	2,830,100	2,830,100	0.25%
Lau Tze Yiu, Peter	Beneficial owner	3,759,950	3,759,950	0.34%
Sun Tai Lun	Beneficial owner	3,078,000	3,078,000	0.28%

*Notes:*

- (1) These shares are held by Accomplished Investments Limited and Kola Heights Limited, companies that are wholly-owned by Mr. Cha Mou Sing, Payson.
- (2) These shares are held under certain but not identical discretionary trusts, of which Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson are among the members of the class of discretionary beneficiaries.
- (3) Mr. Wong Sue Toa, Stewart's corporate interests in the Company arise from the fact that he owns 50% of the share capital of Executive Plaza Limited, which holds 4,270,975 shares of the Company.
- (4) These shares are held by Ms. Wong Lui Kwok Wai, the wife of Mr. Wong Sue Toa, Stewart.
- (5) These shares are held by Ms. Lee Kwai Lin, the wife of Mr. Lo Kai Cheong.
- (6) The percentage is calculated based on the total number of issued shares of the Company as at the Latest Practicable Date (i.e. 1,090,924,676 shares).

**(ii) Share options granted to the Directors pursuant to the share option scheme adopted by the Company on 21 September 2011**

Name	Date of grant	Exercise price per share	Exercise period	Number of share options outstanding as at the Latest Practicable Date	Approximate percentage of issued share capital (Note)
Cha Mou Daid, Johnson	5.9.2017	HK\$1.54	5.9.2017 to 4.9.2022	5,192,000	0.47%

*Note:*

The percentage is calculated based on the total number of issued shares of the Company as at the Latest Practicable Date (i.e. 1,090,924,676 shares).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**(b) Substantial Shareholders' Interests**

So far as is known to each Director or the chief executive of the Company, as at the Latest Practicable Date, the following persons or entities, other than a Director or the chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

***Long positions in the shares of the Company***

Name of Shareholder	Capacity	Number of ordinary shares held	Approximate percentage of issued share capital <i>(Note 4)</i>
CCM Trust (Cayman) Limited ("CCM Trust") <i>(Note 1)</i>	Trustee Interest of controlled corporations	487,702,041	44.70%
Mingly Corporation ("Mingly") <i>(Note 2)</i>	Beneficial owner Interest of controlled corporations	104,243,301	9.55%
CCM Capital Corporation ("CCM Capital") <i>(Note 2)</i>	Beneficial owner	78,866,272	7.22%
LBJ Regents Limited ("LBJ") <i>(Note 3)</i>	Trustee Interest of controlled corporation	67,829,571	6.21%

*Notes:*

- (1) These share interests comprise 383,458,740 shares directly held by CCM Trust and 104,243,301 shares held indirectly through Mingly and its wholly owned subsidiaries. CCM Trust is interested in 87.5% equity interest in Mingly. CCM Trust is holding the 383,458,740 shares as the trustee of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alios, Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, being the Directors) are among the discretionary objects.

- (2) These share interests comprise 3,732,928 shares directly held by Mingly and 78,866,272 shares and 21,644,101 shares held indirectly through CCM Capital and Mingly Asia Capital Limited, respectively. CCM Capital and Mingly Asia Capital Limited are direct wholly-owned subsidiaries of Mingly.
- (3) These share interests comprise 61,022,931 shares directly held by LBJ and 6,806,640 shares held indirectly through Bie Ju Enterprises Limited, its wholly-owned subsidiary. LBJ is holding the 61,022,931 shares as the trustee of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alios, Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson, being the Directors) are among the discretionary objects.
- (4) The percentage is calculated based on the total number of issued shares of the Company as at the Latest Practicable Date (i.e. 1,090,924,676 shares).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company was aware of any other person, other than a Director or the chief executive of the Company, who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation).

#### 4. DIRECTORS' INTERESTS IN THE ASSETS, CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any assets which have, since 31 March 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

#### 5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, the interests of the Directors in businesses (apart from businesses of the Group) which compete or were likely to compete, either directly or indirectly, with the principal businesses of the Group as required to be disclosed pursuant to the Listing Rules were as follows:

Name of Director (Note 1)	Name of company	Nature of interest	Competing business (Note 2)
Cha Mou Sing, Payson	HKR International Limited ("HKRI")	Director of HKRI and a member of the class of discretionary beneficiaries of certain buy not identical discretionary trusts of which the trustees are deemed substantial shareholders of HKRI under Part XV of the SFO	(a) Property development and investment  (b) Property management, leasing and marketing services
	New World Development Company Limited ("NWDCL")	Independent non-executive director of NWDCL	(a) Property development and investment  (b) Property management, leasing and marketing services
	Champion Real Estate Investment Trust ("CREIT")	Independent non-executive director of Eagle Asset Management (CP) Limited, the manager of CREIT	(a) Property investment  (b) Property management, leasing and marketing services

Name of Director (Note 1)	Name of company	Nature of interest	Competing business (Note 2)
Cha Mou Daid, Johnson	HKRI	Director of HKRI and a member of the class of discretionary beneficiaries of certain but not identical discretionary trusts of which the trustees are deemed substantial shareholders of HKRI under Part XV of the SFO	(a) Property development and investment  (b) Property management, leasing and marketing services
Chan Pak Joe	The Luk Hoi Tong Company, Limited (“LHTCL”)	Executive director of LHTCL	(a) Property development and investment  (b) Property management, leasing and marketing services

*Notes:*

- (1) Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson are non-executive Directors, and Mr. Chan Pak Joe is an independent non-executive Director, all of whom are not involved in the daily management of the Group. Accordingly, the Company is capable of carrying its businesses independently of, and at arm’s length from the abovementioned competing businesses.

In addition, Mr. Cha Mou Sing, Payson held share interests, Mr. Wong Sue Toa, Stewart held share interests and directorships and Mr. Lo Kai Cheong held directorships in certain private companies (the “**Private Companies**”) which engage in property investment and serviced apartment or hotel operation. As the Board of the Company is independent of the boards of the Private Companies and has a different board composition to the respective boards of the Private Companies (the Board of the Company comprises of three executive Directors, three non-executive Directors and three independent non-executive Directors), the Company operates its businesses independently of, and at arm’s length from the businesses of the Private Companies.

- (2) Such businesses may be made through subsidiaries, affiliated companies or by way of other forms of investments.

## 6. LITIGATION

As at the Latest Practicable Date, none of the members of the 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 Group.

## 7. QUALIFICATION AND CONSENT OF EXPERT AND EXPERT'S INTERESTS

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Colliers International (Hong Kong) Limited	An independent professional property valuer

As at the Latest Practicable Date, the expert has:

- (a) no shareholding in any member of the 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 Group; and
- (b) no interest, direct or indirect, in any assets which have been, since 31 March 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name included herein in the form and context in which it appears.

## 8. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the date of this circular and are, or may be, material:

- (a) a provisional sale and purchase agreement dated 23 December 2017 entered into among Honour Gain Global Limited (“**Honour Gain**”) as one of the sellers, Starion II Cayman Limited (“**Starion II**”) as one of the sellers, and Power Gain Investment Limited (“**Power Gain**”) as purchaser, regarding the disposal of entire interests in the share capital in Pagson Development Limited and the related shareholder’s loans at an aggregate consideration of HK\$1,038,000,000 (“**Pagson Disposal**”). Further details of the provisional sale and purchase agreement are set out in the announcement of the Company dated 23 December 2017;

- (b) a memorandum of understanding dated 15 January 2018 entered into among Shining Bliss Limited (an indirect wholly-owned subsidiary of the Company) (“**Shining Bliss**”) as purchaser, the Vendor (as defined in the announcement of the Company dated 15 January 2018 (“**15 January Announcement**”)) as vendor (“**Richway Vendor**”) and the Guarantor (as defined in the 15 January Announcement) as guarantor, regarding the possible acquisition of the entire issued and paid-up share capital of Richway Group Holdings Limited and the related shareholder’s loan (“**Richway Acquisition**”) at an aggregate consideration of HK\$506,380,000. Further details of the memorandum of understanding are set out in the 15 January Announcement;
- (c) a sale and purchase agreement dated 1 February 2018 entered into among Honour Gain as one of the sellers, Starion II as one of the sellers, and Power Gain as purchaser, regarding the Pagson Disposal referred to in paragraph (a) above. Further details of the sale and purchase agreement are set out in the announcement of the Company dated 1 February 2018;
- (d) a sale and purchase agreement dated 21 February 2018 entered into between Hanison Construction Holdings (BVI) Limited (a direct wholly-owned subsidiary of the Company) (“**Hanison BVI**”) as vendor and Hilux II Cayman Ltd. as purchaser, regarding the disposal of 50% of the issued share capital in Gallant Elite Enterprises Limited and the related shareholder’s loan. Further details of the sale and purchase agreement are set out in the announcement of the Company dated 21 February 2018;
- (e) a sale and purchase agreement dated 2 March 2018 entered into among Shining Bliss as purchaser, the Richway Vendor as vendor and the Guarantor as guarantor, regarding the Richway Acquisition referred to in paragraph (b) above. Further details of the sale and purchase agreement are set out in the announcement of the Company dated 2 March 2018;
- (f) a provisional sale and purchase agreement dated 25 April 2018 entered into between Emwell Limited (an indirect wholly-owned subsidiary of the Company) (“**Emwell**”) as vendor and Beautymate Hong Kong Limited as purchaser, regarding the disposal of the property comprising (1) Workshops 1 – 19 (inclusive) on the Fifth Floor (including the Flat Roofs of Workshops 3 and 4) of Block A of Shatin Industrial Centre, Nos. 5-7 Yuen Shun Circuit, Shatin, New Territories, Hong Kong (“**Shatin Industrial Centre**”); and (2) Car Parking Space L45 on the Second Floor of Shatin Industrial Centre for an aggregate consideration of HK\$158,380,000. Further details of the provisional sale and purchase agreement are set out in the announcement of the Company dated 25 April 2018;

- (g) a provisional sale and purchase agreement dated 30 May 2018 entered into between Emwell as vendor and Crown Master Enterprises Limited as purchaser, regarding the disposal of the property comprising (1) Workshops 1-23 on the Fourth Floor (including the Flat Roofs of Workshops 5 and 6) of Block B of Shatin Industrial Centre; and (2) Car Parking Space V26 on the First Floor of Shatin Industrial Centre for an aggregate consideration of HK\$209,840,000. Further details of the provisional sale and purchase agreement are set out in the announcement of the Company dated 30 May 2018;
- (h) a sale and purchase agreement dated 24 August 2018 entered into among SPK MW Limited as purchaser, Flair Forward Limited as vendor and Hanison BVI as guarantor, regarding the disposal of the entire issued share capital of Pleasing Ideal Limited and the related shareholder's loan at an aggregate consideration of HK\$1,253,000,000 ("**Pleasing Ideal Disposal**"). Further details of the sale and purchase agreement are set out in the announcement of the Company dated 24 August 2018;
- (i) an application dated 2 October 2018 in respect of the subscription of 50% issued share capital of Great Splendor Enterprises Limited (an indirect wholly-owned subsidiary of the Company) ("**Great Splendor**") as enlarged by the allotment and issue of the subscription shares at a consideration of USD2 (equivalent to approximately HK\$15.60) by Acquisition N (BVI) L.P. as subscriber ("**Acquisition N (BVI)**"). Further details of the subscription are set out in the announcement of the Company dated 2 October 2018 and the relevant clarification announcement dated 3 October 2018;
- (j) a shareholders deed dated 2 October 2018 entered into among Acquisition N (BVI), Fairview Harbour Limited (an indirect wholly-owned subsidiary of the Company) ("**Fairview**") and Great Splendor, to govern their relationship as shareholders of Great Splendor and regarding the renovation, change of use, management and marketing and sale and leasing of a property. Further details of the shareholders deed are set out in the announcement of the Company dated 2 October 2018 and the relevant clarification announcement dated 3 October 2018;
- (k) a shareholder loan agreement dated 2 October 2018 entered into among Acquisition N (BVI), Fairview and Great Splendor, in which Acquisition N (BVI) and Fairview have advanced and shall continue to advance shareholder loans to Great Splendor. Further details of the shareholder loan agreement are set out in the announcement of the Company dated 2 October 2018 and the relevant clarification announcement dated 3 October 2018;

- (l) a provisional sale and purchase agreement dated 12 March 2019 entered into between Great Virtue Ventures Limited (an indirect wholly-owned subsidiary of the Company) (“**Great Virtue**”) as purchaser and Vendor 1 (as defined in the announcement of the Company dated 12 March 2019 (“**12 March Announcement**”)) and Vendor 2 (as defined in the 12 March Announcement) as vendors, regarding the acquisition of a property comprising an entire building located at No. 1 Tai Yip Street, Kwun Tong, Hong Kong (“**Kwun Tong Acquisition**”) at an aggregate consideration of HK\$489,000,000. Further details of the provisional sale and purchase agreement are set out in the 12 March Announcement;
- (m) a sale and purchase agreement dated 15 April 2019 entered into between Great Virtue as purchaser and Vendor 1 (as defined in the announcement of the Company dated 15 April 2019 (“**15 April Announcement**”)) and Vendor 2 (as defined in the 15 April Announcement) as vendors, regarding the Kwun Tong Acquisition referred to in paragraph (l) above. Further details of the sale and purchase agreement are set out in the 15 April Announcement;
- (n) the Sale and Purchase Agreement; and
- (o) a sale and purchase agreement dated 16 July 2019 entered into between the Seller (as defined in the announcement of the Company dated 16 July 2019 (“**16 July Announcement**”)) and Excellent Sincere Limited (an indirect wholly-owned subsidiary of the Company) as purchaser, regarding the acquisition of entire issued and paid-up share capital of Storage Portfolio Holding II Ltd and the related shareholder’s loan at an aggregate consideration of HK\$735,000,000 (subject to adjustment). Further details of the sale and purchase agreement are set out in the 16 July Announcement.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours on any weekdays (except for Saturday and public holidays) at the Company's principal place of business in Hong Kong for a period of 14 days from the date of this circular:

- (a) the Sale and Purchase Agreement;
- (b) the memorandum and articles of association of the Company;
- (c) the property valuation report, the text of which is set out in Appendix II to this circular;
- (d) the written consent referred to in the paragraph headed "Qualification and consent of expert and expert's interests" in this Appendix;
- (e) the annual reports of the Company for the three financial years ended 31 March 2017, 2018 and 2019;
- (f) the material contracts referred to in the section headed "Material contracts" in this Appendix;
- (g) the circular dated 17 May 2019 issued by the Company in relation to the Kwun Tong Acquisition; and
- (h) this circular.

**10. MISCELLANEOUS**

- (a) the registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands;
- (b) the head office and principal place of business of the Company is located at 22/F, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, New Territories, Hong Kong;
- (c) the Company's Hong Kong branch share registrar is Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;
- (d) the company secretary of the Company is Mr. Lo Kai Cheong, who is a member of CPA Australia (CPA (Aust.)) and a fellow of Hong Kong Institute of Certified Public Accountants (FCPA) and The Association of International Accountants (FAIA); and
- (e) the English text of this circular prevails over the Chinese text in case of inconsistency.