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

(Stock Code: 896)

**MAJOR TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF PROPERTY**

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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 expressions have the following meanings:*

“Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Formal Agreement
“Announcements”	the announcements of the Company dated 12 March 2019, 27 March 2019 and 15 April 2019
“Board”	the board of Directors
“Company”	Hanison Construction Holdings Limited (stock code: 896), 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
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Formal Agreement
“Completion Date”	the date on which Completion shall take place in accordance with the terms of the Formal Agreement
“connected persons” and “percentage ratio(s)”	each has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal agreement in relation to the Acquisition entered into between the Vendors and the Purchaser on 15 April 2019
“Group”	the Company and its subsidiaries
“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
“Latest Practicable Date”	9 May 2019, being the latest practicable date for ascertaining certain information referred to in this circular prior to its printing

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## DEFINITIONS

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“Leaseback”	the grant to the Vendors’ nominee by the Purchaser of a tenancy to occupy the Leaseback Premises pursuant to the Formal Agreement
“Leaseback Premises”	2/F, 11/F, 12/F and 13/F together with two spaces at the loading/unloading space on the ground floor of the Property
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	collectively Property 1 and Property 2, together constituting the entire block of building located at No.1 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong
“Property 1”	ALL THAT piece or parcel of ground registered in the Land Registry known as KWUN TONG INLAND LOT NO. 567 and of and in the messuages erections and building thereon
“Property 2”	ALL THAT piece or parcel of ground registered in the Land Registry known as KWUN TONG INLAND LOT NO. 568 and of and in the messuages erections and building thereon
“Purchase Price”	the aggregate purchase price of HK\$489,000,000 payable by the Purchaser to the Vendors in respect of the Acquisition
“Purchaser”	Great Virtue Ventures Limited (達德創投有限公司), a limited company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company
“Provisional Agreement”	the provisional agreement in relation to the Acquisition entered into between the Vendors and the Purchaser on 12 March 2019
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“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
“Vendor 1”	Hay Nien Company, Limited, a company incorporated in Hong Kong and the registered and beneficial owner of Property 1 and whose registered shareholders are Wing Yan Tong Limited, Liangs’ Limited, Chan Ann Pei, HSBC Trustee (Hong Kong) Limited and Chan Chu Lai Wan, Doris, respectively, with an approximate shareholding of 33%, 22%, 17%, 17% and 11%, respectively
“Vendor 2”	Jireh International Limited, a company incorporated in Hong Kong and the registered and beneficial owner of Property 2 and whose registered shareholders are Vendor 1 and Liang Wang Tao with an approximate shareholding of 99% and 1% respectively
“Vendors”	collectively Vendor 1 and Vendor 2
“%”	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\*  
Mr. Chan Pak Joe<sup>#</sup>  
Dr. Lau Tze Yiu, Peter<sup>#</sup>  
Dr. Sun Tai Lun<sup>#</sup>

*Registered Office:*

P.O. Box 309, Ugland 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

17 May 2019

\* *Non-executive Directors*

# *Independent Non-executive Directors*

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
IN RELATION TO  
THE ACQUISITION OF PROPERTY**

**INTRODUCTION**

References are made to the Announcements in relation to the Acquisition.

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## LETTER FROM THE BOARD

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On 12 March 2019, the Purchaser, an indirect wholly owned subsidiary of the Company, entered into the binding Provisional Agreement with the Vendors, pursuant to which (i) the Vendors agreed to sell and the Purchaser agreed to purchase the Property at the aggregate purchase price of HK\$489,000,000; and (ii) the Purchaser agreed to grant to the Vendors' nominee(s) a tenancy to occupy the Leaseback Premises upon Completion. The Formal Agreement was entered on 15 April 2019.

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

### THE ACQUISITION

#### The Formal Agreement

The Vendors and the Purchaser entered into the Formal Agreement on 15 April 2019, which superseded the Provisional Agreement.

The principal terms of the Formal Agreement are summarised as follows:

#### *Date*

15 April 2019

#### *Parties*

- (a) the Purchaser
- (b) the Vendors

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendors and their respective ultimate beneficial owner(s) is a third party independent of the Company and the connected persons of the Company.

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## LETTER FROM THE BOARD

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### ***Subject Matter***

Pursuant to the Formal Agreement, the Vendors will sell and the Purchaser will purchase the Property upon the terms contained therein.

The Property constitutes the entire block of building located at No. 1 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong with a total gross floor area of 62,889 square feet.

The Property is sold on an “as is” basis, subject to and with the benefits of the Leaseback which will expire on 31 March 2020 and of the existing lettings, tenancies and licences in respect of the Property which will expire in the period between 2019 and 2022. The aggregate monthly rent of the existing tenancies is approximately HK\$605,000.

### ***Purchase Price***

The Purchase Price shall be in the sum of HK\$489,000,000, which shall be paid in the following manner:

- (a) a sum of HK\$20,000,000, being the initial deposit (the “**Initial Deposit**”), was paid to the Vendors’ solicitors as stakeholders on 12 March 2019 upon signing of the Provisional Agreement;
- (b) a sum of HK\$28,900,000, being the further deposit (together with the Initial Deposit, the “**Deposits**”), was paid to the Vendors’ solicitors as stakeholders on 11 April 2019; and
- (c) a sum of HK\$440,100,000, being the balance of the Purchase Price, was paid to the Vendors’ solicitors as stakeholders upon Completion.

The Purchase Price was determined after arm’s length negotiations between the Vendors and the Purchaser, with reference to the market value of comparable properties in nearby locations. The Purchase Price was fully funded by the internal resources of the Group.



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## LETTER FROM THE BOARD

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### ***Completion***

Completion took place on 8 May 2019.

### ***Leaseback***

Upon Completion on 8 May 2019, the Purchaser entered into a tenancy agreement with the Vendors' nominee pursuant to which the Purchaser granted to the Vendors' nominee a tenancy to occupy the Leaseback Premises for a term commencing on the day following the Completion Date and ending on 31 March 2020 at a rent of HK\$137,000 per calendar month inclusive of government rent, rates and management fee.

### ***Costs***

All stamp duty (if any) payable in relation to the Provisional Agreement and the Formal Agreement shall be borne by the Purchaser.

## **INFORMATION ON THE COMPANY AND THE PURCHASER**

The principal business activity of the Company is investment holding. Its subsidiaries are principally engaged in 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.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company and is principally engaged in property investment.

## **INFORMATION ON THE VENDORS**

Each of the Vendors is a limited company incorporated in Hong Kong and its principal business activity is trading in gifts and premiums.

## **REASONS FOR THE ACQUISITION**

The Directors undertake strategic reviews of the Company's assets from time to time with a view to maximising returns to the Shareholders. The Directors consider that the Acquisition is a valuable investment opportunity for the Group. Accordingly, the Directors believe that the Acquisition enables the Group to strengthen and enhance the property investment portfolio.

The Directors (including the independent non-executive Directors) consider that the Acquisition and the Leaseback and the transactions contemplated under the Provisional Agreement and the Formal Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL IMPACT OF THE ACQUISITION

#### Earnings

As set out in the section headed “THE ACQUISITION”, the Property is sold to the Purchaser subject to and with the benefit of existing lettings, tenancies and licences in respect of the Property. The aggregate monthly rent of the existing tenancies is approximately HK\$605,000. Upon Completion, the Company enjoys rental income from the Property which has a positive effect on the earnings of the Company.

#### Assets and Liabilities

Upon Completion, the investment properties of the Group are expected to increase by approximately HK\$536,155,000; the total assets of the Group are expected to decrease by approximately HK\$118,000, assuming that the Acquisition is financed by bank balances and cash and after taking into account the costs of the Acquisition which includes stamp duty, commission fee, legal fee and other transaction costs and the transfer of rental deposits from the Vendors; and the total liabilities of the Group are expected to increase by approximately HK\$1,285,000.

Details of the estimated effect of the Acquisition on the assets and liabilities of the Group is set out in Appendix III to this circular.

### LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition exceeds 25% but is below 100%, the Acquisition constitutes a major transaction for the Company and is subject to the announcement, reporting and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The Company has obtained written approval for the Acquisition 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 Acquisition and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Acquisition. As such, no extraordinary general meeting will be convened for the purpose of approving the Acquisition.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Acquisition and the Leaseback and the transactions contemplated under the Provisional Agreement and the Formal Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution if the Company were to convene an extraordinary general meeting for the approval of the Acquisition.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
By order of the Board  
**Hanison Construction Holdings Limited**  
**Wong Sue Toa, Stewart**  
*Managing Director*

The audited consolidated financial statements of the Group for the three years ended 31 March 2016, 2017 and 2018 and the six months ended 30 September 2018 are disclosed in the annual reports of the Company in respect of the same year dated 8 June 2016 (pages 109-248), 13 June 2017 (pages 124-284), 26 June 2018 (pages 138-307), and the interim report of the Company in respect of the six months ended 30 September 2018 dated 20 November 2018 (pages 36-114), 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 2016 dated 8 June 2016 (pages 109-248):

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0722/LTN20160722291.pdf>

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

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0720/LTN20170720618.pdf>

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

<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0719/LTN20180719326.pdf>

- (4) interim report of the Company for the six months ended 30 September 2018 dated 20 November 2018 (pages 36-114):

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/1210/LTN20181210498.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 Acquisition, 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 31 March 2019, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had bank loans of approximately HK\$351,000,000 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. The interest rates for secured bank loans range from HIBOR plus 0.85% to HIBOR plus 1.10%.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 31 March 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 other 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 2018, being the date to which the latest published audited financial statements of the Group were made up.

**4. FINANCIAL AND TRADING PROSPECTS**

During the six months ended 30 September 2018, the unaudited consolidated turnover was HK\$1,279,309,000 (for the six months ended 30 September 2017: HK\$1,350,468,000) and unaudited consolidated net profits after tax was HK\$314,225,000 (for the six months ended 30 September 2017: HK\$101,134,000).

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.

**1. PROFIT AND LOSS STATEMENT OF THE PROPERTY**

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of any revenue-generating assets (other than a business or a company) with an identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement for the three preceding financial years or less, where the asset has been held by the vendor for a shorter period, on the identifiable net income stream in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records. In the case of the Company in relation to the Acquisition, such period covers the three financial years ended 31 March 2017, 2018 and 2019 (the “**Relevant Period**”).

As disclosed in the announcement of the Company dated 12 March 2019, based on the information provided by the Vendors, the Property is subject to certain tenancies. The Company has obtained from the Vendors (i) copies of the tenancy agreements of the existing tenancies in respect of the Property (excluding the tenancy agreement in relation to the Leaseback) (the “**Tenancy Agreements**”); and (ii) a list of basic information on the existing tenancies in respect of the Property, including, among other things, the tenant, monthly rent and the terms of the tenancies (collectively with information identifiable from the Tenancy Agreements, the “**Tenancy Information**”). Save for the Tenancy Information, (i) no further detailed breakdown of any financial breakdown has been provided by the Vendors; and (ii) the Vendors have not granted the Company access to the underlying books and records or other financial information of the Property, including direct costs and other expenses for the preparation of the financial information of the Property for the Relevant Period in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules on the grounds that they contain other information which is confidential and not relevant to the Acquisition.

The Company has therefore applied, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the following information be disclosed instead.

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**APPENDIX II                      UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY**

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The financial information of the Property for each of the Relevant Period set out below has been prepared by the Directors solely based on the Tenancy Information provided by the Vendors and represents an alternative to and does not represent the profit and loss statement of the Property. Accordingly, it may not give a full picture of the performance of the Property during the Relevant Period.

Based on the Tenancy Information, there are a total of ten Tenancy Agreements covering nine whole floors and one unit during the Relevant Period. For the Tenancy Agreements, they are all under a fixed term with the earliest and latest expiration date falling on 21 April 2019 and 31 October 2022, respectively. Three of the Tenancy Agreements will expire in 2019, three in 2020, one in 2021 and three in 2022. The maximum total monthly rentals for each of the years ended/ ending 31 March 2019 to 2022 are approximately HK\$6,747,000, HK\$5,824,000, HK\$3,596,000 and HK\$2,288,000, respectively.

Based on the Tenancy Information, the gross rental income of the Property during the Relevant Period is as follows:

	<b>For the year ended 31 March</b>		
	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross rental income	6,747	2,585	868

*Notes:*

1. The gross rental income for the Relevant Period is derived from the Tenancy Agreements.
2. Based on the Tenancy Information, government rates, management fees, gas, water, telephone, electricity and air-conditioning charges and all other outgoings directly attributable to the Property shall be borne by the tenants, whereas government rent and profits tax in respect of the Property shall be borne by the Vendors. Stamp duty incurred in respect of the Property shall be borne by the tenants and the Vendors (as landlord) in equal shares.
3. Based on certain demand notes issued by the Rating and Valuation Department of the Government of Hong Kong provided by the Vendors and the rateable value as extracted from the website of the Rating and Valuation Department of the Government of Hong Kong, the government rent and rates in respect of the Property for the financial year ended 31 March 2017, 2018 and 2019 is estimated to be approximately HK\$640,000, HK\$667,000 and HK\$583,000, respectively.
4. Based on the information provided by the Vendors, the management fees in respect of the Property for each of the financial year ended 31 March 2017, 2018 and 2019 is estimated to be approximately HK\$983,000.

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## APPENDIX II                      UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

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5. Based on the Tenancy Information and the statutory tax rate of Hong Kong, the stamp duty in respect of the Property incurred for the financial year ended 31 March 2017, 2018 and 2019 is estimated to be approximately HK\$2,000, HK\$28,000 and HK\$8,000, respectively.
6. Save for the Tenancy Information and other publicly available information, the Directors do not have access to other financial information in relation to the Property. Due to the limited information available to them, based on the Tenancy Information and the experience of the Company's management, the Directors estimated that the other monthly expenses such as insurance costs and repair and maintenance expenses, which are payable by the Vendors, is minimal. Accordingly, no other expenses such as insurance costs and repair and maintenance expenses were included in the above financial information.
7. Save for the financial information that the Company could not obtain from the Vendors, the financial information of the Property set out above is prepared using accounting policies which are materially consistent with those of the Company.
8. In accordance with Rule 14.67(6)(b)(i) of the Listing Rules, the Directors engaged Deloitte Touche Tohmatsu, the auditor of the Company, to conduct certain agreed upon procedures in respect of the gross rental income for the leasing of the Property during the Relevant Period, in accordance with the Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The procedures were performed solely to assist the Directors in evaluating the accuracy of the gross rental income from the Property, and are summarised as follows:
  - (i) to obtain the gross rental income listing of the Property for the Relevant Period which was prepared by the management of the Company and to check its mathematical accuracy;
  - (ii) to obtain the gross rental income summary of the Property for the Relevant Period which was prepared by the management of the Company and to compare the total amounts of gross rental income for the Relevant Period as shown in the gross rental income summary to respective total gross rental income as shown in the gross rental income listing.
  - (iii) to compare the particulars of the tenancy periods and monthly rental as shown in the gross rental income listing to respective Tenancy Agreements which were provided by the management of the Company.



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**APPENDIX II                      UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY**

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Based on the information and documents made available to the auditor of the Company, their findings are:

- (i) with respect to procedure (i) above, Deloitte Touche Tohmatsu found the gross rental income listing of the Property for the Relevant Period to be mathematically accurate;
- (ii) with respect to procedure (ii) above, Deloitte Touche Tohmatsu found the total amounts of gross rental income of the Property for the Relevant Period as shown in the gross rental income summary to be in agreement with the respective total gross rental income as shown in the gross rental income listing; and
- (iii) with respect to procedure (iii) above, Deloitte Touche Tohmatsu found that the particulars of the tenancy periods and monthly rental as shown in the gross rental income listing of the Property to be in agreement with those contained in respective Tenancy Agreements which were provided to Deloitte Touche Tohmatsu by the management of the Company.

Because the above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, Deloitte Touche Tohmatsu does not express any assurance on the gross rental income summary or the gross rental income listing.

Had Deloitte Touche Tohmatsu performed additional procedures or had Deloitte Touche Tohmatsu performed an assurance engagement on the gross rental income summary or the gross rental income listing in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to their attention that would have been reported to the Directors.

- 9. The Directors are of the view that the omission of a profit and loss statement for the net income stream of the Property would not render this circular materially incomplete and misleading or deceptive.

## **2. VALUATION OF THE PROPERTY**

No valuation of the Property for each of the financial year end and the period end within the Relevant Period has been disclosed herein as the Company has not been able to obtain the valuation report(s) in respect of the Property from the Vendors. Instead a valuation report of the Property as at 31 March 2019 as appraised by an independent valuer is prepared and set out in Appendix IV in this circular.

**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP****Introduction**

The following is an illustrative unaudited pro forma statement of assets and liabilities (the “Unaudited Pro Forma Financial Information”) of Hanison Construction Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 September 2018 in connection with the acquisition of the entire block of building located at No.1 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong (the “Property”) (the “Acquisition”). The Unaudited Pro Forma Financial Information presented below is prepared to illustrate effects of the Acquisition on the assets and liabilities of the Group as if the Acquisition had been completed on 30 September 2018.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2018 extracted from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2018 included in the published interim report for the six months ended 30 September 2018, after making pro forma adjustments relating to the Acquisition that are directly attributable to the Acquisition and not relating to future events or decisions; and factually supportable.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, for illustrative purpose only and is based on a number of assumptions, estimates, uncertainties and currently available information. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual assets and liabilities of the Group that would have been attained had the Acquisition been completed on 30 September 2018 nor purport to predict the Group’s future assets and liabilities.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published interim report of the Group for the six months ended 30 September 2018, and other financial information included elsewhere in the circular.

**APPENDIX III**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE GROUP**

	Statement of assets and liabilities of the Group as at 30 September 2018 (Unaudited)	Pro forma adjustments for the Acquisition			Pro forma statement of assets and liabilities of the Group after the Acquisition (Unaudited)
		HK\$'000	HK\$'000	HK\$'000	
		(Note 1)	(Note 2)	(Note 3)	
<b>Non-current assets</b>					
Investment properties	2,172,760	536,155	–	–	2,708,915
Property, plant and equipment	569,243	–	–	–	569,243
Prepaid lease payments	5,228	–	–	–	5,228
Interest in an associate	7,069	–	–	–	7,069
Interests in joint ventures	532,689	–	–	–	532,689
Loans to joint ventures	362,115	–	–	–	362,115
Deposit paid for an investment	36,500	–	–	–	36,500
Deferred tax assets	2,769	–	–	–	2,769
	<u>3,688,373</u>	<u>536,155</u>	<u>–</u>	<u>–</u>	<u>4,224,528</u>
<b>Current assets</b>					
Properties under development for sale	320,223	–	–	–	320,223
Properties held for sale	7,441	–	–	–	7,441
Inventories	56,543	–	–	–	56,543
Contract assets	381,867	–	–	–	381,867
Debtors, deposits and prepayments	431,104	–	–	–	431,104
Prepaid lease payments	206	–	–	–	206
Amount due from a joint venture	17	–	–	–	17
Loans to joint ventures	77,426	–	–	–	77,426
Financial assets at fair value through profit or loss	444	–	–	–	444
Taxation recoverable	4,982	–	–	–	4,982
Bank balances and cash	443,610	(536,155)	(1,403)	1,285	(92,663)
	<u>1,723,863</u>	<u>(536,155)</u>	<u>(1,403)</u>	<u>1,285</u>	<u>1,187,590</u>
Assets classified as held for sale	<u>1,094,097</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,094,097</u>
	<u>2,817,960</u>	<u>(536,155)</u>	<u>(1,403)</u>	<u>1,285</u>	<u>2,281,687</u>

**APPENDIX III**
**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE GROUP**

	Statement of	Pro forma adjustments			Pro forma
	assets and liabilities of the Group as at 30 September 2018 (Unaudited)	for the Acquisition			statement of assets and liabilities of the Group after the Acquisition (Unaudited)
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000
Current liabilities					
Trade and other payables	933,708	-	-	1,285	934,993
Provisions	141,351	-	-	-	141,351
Contract liabilities	1,638	-	-	-	1,638
Taxation payable	22,982	-	-	-	22,982
Bank and other loans					
- amounts due within one year	1,208,214	-	-	-	1,208,214
	2,307,893	-	-	1,285	2,309,178
Liabilities directly associated with assets classified as held for sale	2,379	-	-	-	2,379
	2,310,272	-	-	1,285	2,311,557
Net current assets (liabilities)	507,688	(536,155)	(1,403)	-	(29,870)
Total assets less current liabilities	4,196,061	-	(1,403)	-	4,194,658
Non-current liabilities					
Deferred tax liabilities	7,996	-	-	-	7,996
Provisions	218,016	-	-	-	218,016
	226,012	-	-	-	226,012
	3,970,049	-	(1,403)	-	3,968,646

*Notes:*

- (1) The amounts are extracted from unaudited condensed consolidated statement of financial position of the Group as at 30 September 2018 as set out in the published interim report of the Group for the six months ended 30 September 2018.
- (2) The adjustments are to reflect the Acquisition which included (i) the cash consideration of HK\$489,000,000 and (ii) other directly attributable costs of the Acquisition of approximately HK\$47,155,000, comprising stamp duty of approximately HK\$41,565,000, commission fee of approximately HK\$4,890,000 and legal fee of approximately HK\$700,000. The Property is classified as investment properties as the Group intends to hold the Property for rental and/or capital appreciation purposes. The investment properties are initially measured at cost (inclusive of transaction costs) and subsequently measured at fair value. In the opinion of the Directors, the assumed cash shortfall for the purpose of the pro forma financial information will be financed by internal resources of the Group.
- (3) The adjustment represents payment of other estimated transaction costs of approximately HK\$1,403,000.
- (4) The Property is sold subject to and with the benefit of the Tenancy Agreement. Pursuant to the sales and purchase agreement, the Vendors shall transfer all rental deposits to the Group upon completion of the Acquisition. Accordingly, this adjustment reflects the rental deposits of the tenant amounting to HK\$1,285,000 transferred from the Vendor to the Group, settled by cash, as if the Acquisition took place on 30 September 2018.
- (5) No other adjustments have been made to the Unaudited Pro Forma Financial Information of the Group to reflect any trading results or other transactions of the Group subsequent to 30 September 2018.

*The following is the text of the independent reporting accountants' assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.*

**Deloitte.****德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON  
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Hanison Construction Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Hanison Construction Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 September 2018 and related notes as set out on pages III-1 to III-4 of the circular issued by the Company dated 17 May 2019 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-4 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of the entire block of building located at No.1 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong (the "Acquisition") on the Group's assets and liabilities as at 30 September 2018 as if the Acquisition had taken place at 30 September 2018. As part of this process, information about the Group's assets and liabilities has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2018, on which a review report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 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" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) 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.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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



**OPINION**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*

Hong Kong  
17 May 2019

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Limited, an independent valuer, in connection with its valuation as at 31 March 2019 of the Property.



Jones Lang LaSalle Limited  
Valuation Advisory Services  
7/F One Taikoo Place 979 King's Road  
tel +852 2846 5000 fax +852 2968 0078  
Company Licence No.: C-003464

仲量聯行有限公司  
物業估價部  
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電話 +852 2846 5000 傳真 +852 2968 0078  
牌照號碼：C-003464



ISO 9001: 2015  
Certificate No.: CC 568

Our ref.: 2/19/00151

DC/KEL/ANC/WN/cn

17 May 2019

#### The Directors

#### Hanison Construction Holdings Limited

22nd Floor, Kings Wing Plaza 1,  
3 On Kwan Street,  
Shek Mun  
Sha Tin, New Territories  
Hong Kong

Dear Sirs,

**Re: Valuation of No. 1 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong  
(Kwun Tong Inland Lot Nos. 567 and 568)**

#### 1.1 Instruction

We refer to the instruction from Hanison Construction Holdings Limited (“the Company”) for us to carry out market valuation of the property interest located at **No. 1 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland Lot Nos. 567 & 568)** (“the Property”) as a single property interest as at 31 March 2019 (“the date of valuation”) for public disclosure purposes.

Existing development on the Property, known as “Hay Nien Industrial Building”, is a 14-storey building completed in 1980 for industrial/godown uses (“the Development”). According to the Announcements made by the Company at The Stock Exchange of Hong Kong Limited on 12 March 2019 and 15 April 2019, the Company had entered into a binding Provisional Agreement with the vendors of the Property in relation to the acquisition of the Property for a consideration of HK\$489,000,000. The Company agreed to grant to the vendors’ nominee(s) a tenancy to leaseback 2nd, 11th, 12th and 13th Floors together with 2 spaces at the loading/unloading space on Ground Floor of the Development upon completion of the sale and purchase until 31 March 2020 at a rent of HK\$137,000 per month, inclusive of government rent, rates and management fee. We have valued the Property subject to its existing tenancies and also taken into consideration the above leaseback arrangement.

We confirm that we have carried out an inspection of the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the unencumbered leasehold property interest as at the date of valuation.

## 1.2 Basis of Valuation

Unless otherwise stated, our valuation has been prepared in accordance with “HKIS Valuation Standards 2017 Edition” published by The Hong Kong Institute of Surveyors (“HKIS”), the “International Valuation Standards 2017” published by the International Valuation Standards Council (“IVSC”) and the “RICS Valuation – Global Standards 2017” published by the Royal Institution of Chartered Surveyors (“RICS”) subject to variation to meet local established law. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards. We have also complied with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Our valuation of the property interest is made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out as:

*“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

The valuation presented in this report represents the 100% interest of the Property and not the shareholdings of the company holding the property interest thereof.

Our valuation services have been executed in accordance with our Quality Assurance System, accredited by HKQAA via ISO 9001:2015 and our report prepared with reference to the assumptions, definitions and limiting conditions as set out in our General Principles of Valuation.

### **1.3 Valuation Assumptions**

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

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

### **1.4 Valuation Methodology**

In arriving at our opinion of market value of the Property, we have adopted the direct comparison method and income capitalization method.

#### ***1.4.1 Direct Comparison Method***

The direct comparison method is based on comparing the property to be valued with the prices achieved for similar properties. Given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences between the comparable properties and the subject that may affect the price likely to be achieved by the property under consideration.

#### ***1.4.2 Income Capitalization Method***

The income capitalization method is based on the capitalization of the net income potential by adopting appropriate capitalization rate, which is derived from analysis of sale transactions and our interpretation of prevailing investor requirements or expectations. The market rents adopted in our valuation have reference to lettings of comparable premises.

### **1.5 Source of Information**

We have relied to a considerable extent on the information provided by the Company including a tenancy schedule of the Property as at 4 March 2019 (“the Tenancy Schedule”). We have obtained relevant information available from public domain including the Land Registry and the Buildings Department and have accepted advice given to us on matters such as statutory notices, planning approvals, easements, floor plans, floor areas, tenure, particulars of occupancy and all other relevant matters. We have assumed that all information provided to us is correct.

However, should it be established subsequently that the details relating to the property interest are incorrect, we reserve the right to adjust the values reported herein. The dimensions, measurements and areas included in the report are based on information contained in copies of documents arranged for our valuation and obtained from the Land Registry and the Buildings Department and are therefore approximations. We have not carried out on site measurements to verify the correctness of the area of the Property.

Our valuation is totally dependent on the adequacy and accuracy of the information supplied and/or subsequent assumptions made. Should these prove to be incorrect or inadequate, the accuracy of our valuation may be affected.

### **1.6 Measurements**

All measurements are carried out in accordance with the “Code of Measuring Practice” booklet published by the HKIS. To suit the local practice, we declare our departure from the “RICS property measurement” published by RICS in May 2015. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the registered floor plans if available.

### **1.7 Title Investigation**

We have not been provided with copies of the title documents relating to the Property but we have caused searches to be made at the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments, which may not appear on the copies handed to us. All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate. We have not seen original planning consents and have assumed that the Property have been erected, being occupied and used in accordance with such consents and that there are no outstanding statutory notices.

### **1.8 Property Inspection**

We carried out external inspection of the Property and its surrounding environment on 26 April 2019. The inspection was conducted by Mr. Ken Lam MHKIS, MRICS, RPS(GP), Senior Director and Ms. Wendy Ng, Valuer of Valuation Advisory Services of Jones Lang LaSalle Limited. We have not conducted formal site and structural surveys and, as such we cannot report that the Property is free from rot, infestation or any other structural defects. We have not carried out building survey, nor have we inspected those parts of the Property which is covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of parts we had not inspected and this report should not be taken as making any implied representation or statement about such parts. No tests have been carried out to any of the services within the Property.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the Property, or has since been incorporated, and we are therefore unable to report that the Property are free from risk in this respect. For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent.

**1.9 Site Investigation**

We have not carried out any investigations on site in order to determine the suitability of ground conditions and services, etc. for future redevelopment or renovation, nor did we undertake archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory and that where developments are contemplated, no extraordinary expenses or delays will be incurred during the construction or renovation period.

In the course of our valuation, we have assumed that no contamination affects the Property or the neighbouring land. However, should it be established subsequently that contamination exists at the Property or on any neighbouring land, or that the Property have been or are being put to any contaminative use, we reserve the right to adjust the value reported herein.

**1.10 Plant and Machinery**

Our valuation normally includes all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' industrial or commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded in our valuation.

**1.11 Valuer**

This valuation report was prepared by Mr. Ken Lam MHKIS, MRICS & RPS(GP), Senior Director assisted by Ms. Wendy Ng, Valuer under the supervision of Ms. Dorothy Y. Y. Chow MHKIS, MRICS & RPS(GP), Senior Director of the department.

We confirm that Ms. Dorothy Y. Y. Chow, Mr. Ken Lam and Ms. Wendy Ng are in the position to provide an objective and unbiased valuation and are competent to undertake the valuation assignment.

**1.12 Report**

Our Valuation Certificate is attached hereto.

Yours faithfully

For and on behalf of

**Jones Lang LaSalle Limited**

**Dorothy Y. Y. Chow** B.Sc. (Hons), MSc, MRICS, MHKIS, RPS(GP)

*Senior Director*

*Licence No.: E-182969*

*Note: Ms. Dorothy Y.Y. Chow, MHKIS MRICS RPS(GP), is a qualified general practice surveyor and has 20 years of experience in the valuation of properties in Hong Kong.*

## 2.0 VALUATION CERTIFICATE

## Property Held for Investment

Property	Description and tenure	Particulars of occupancy	Market Value as at 31 March 2019
<p>No. 1 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong</p> <p>(Kwun Tong Inland Lot Nos. 567 and 568)</p> <p>("KTIL 567 &amp; 568"/ "the Lots")</p>	<p>The Property is located at the junction of Tai Yip Street and Wai Yip Street within Kwun Tong Business Zone in Kowloon, which is a traditional industrial zone transforming to a business zone.</p> <p>The Development is a 14-storey industrial block completed in 1980, building age approximately 39 years. Loading/unloading spaces are provided on the Ground Floor. Vertical circulation is facilitated by 2 cargo lifts, 1 passenger lift and 2 staircases.</p> <p>As quoted from the building plan approved on 12 March 1980, total gross floor area of the Development is about 62,889ft<sup>2</sup> (5,842.496m<sup>2</sup>).</p> <p>The site of the Property is roughly rectangular with frontages onto Tai Yip Street and Wai Yip Street. The total site area of the Lots is about 5,780ft<sup>2</sup> (536.98m<sup>2</sup>), as quoted from the registered site plans.</p>	<p>According to the information provided by the Company, the 2nd, 11th, 12th and 13th Floors together with 2 spaces of the loading/unloading area on Ground Floor were occupied by the vendor of the Property.</p> <p>According to the Tenancy Schedule, there was no monthly rental income for units occupied by the vendor. Unit B on 6th floor was vacant while the remaining portions of the Property were subject to various tenancies with a total rental income of about HK\$605,269 per month, exclusive of rates and management fees. The latest expiry date of the existing tenancies will be in 31 October 2022.</p>	<p>HK\$490,000,000 (HONG KONG DOLLARS FOUR HUNDRED AND NINETY MILLION)</p>

Property	Description and tenure	Particulars of occupancy	Market Value as at 31 March 2019
	KTIL 567 is held under a Government Lease while KTIL 568 is held under Conditions of Sale No. 8621. The lease term of the Lots is 99 years less the last 3 days commencing on 1 July 1898 and has been statutorily renewed to expire on 30 June 2047. The annual Government rent payable for the Property is an amount equivalent to 3% of its prevailing rateable value.	–	–

*Notes:*

- (1) The registered owner of KTIL 567 and KTIL 568 is Hay Nien Company Limited and Jireh International Limited respectively.
- (2) The Property falls within Kowloon Planning Area No. 14 (Part) and is zoned under the Kwun Tong (South) Outline Zoning Plan No. S/K14S/22 approved on 30 October 2018 for “Other Specified Uses” annotated “(Business)” purposes.
- (3) As stipulated in the Government Lease of KTIL 567 and Conditions of Sale No. 8621 of KTIL 568, the use and development of the Lots is government by the following salient conditions:
  - Shall be used only for industrial and/or godown purposes
  - No building other than a factory and/or a warehouse, ancillary offices and quarters for persons essential to the safety and security of the building
  - No building or support for any building shall be erected at ground level on the area coloured red/pink hatched black on the plans and will not use the whole of this area at ground floor level for any purpose other than the parking, loading and unloading of motor vehicles.
  - Buildings at first floor level and above may be erected over the area coloured red/pink hatched black on the plans, provided there is clear space extending upwards from the ground level to a height of 15 feet.
  - No part of any structure erected on the lot shall exceed a height of 170 feet above Colony principal datum
  - No right of ingress and egress for passage of motor vehicles from or to Wai Yip Street
  - Non-offensive trades clause
- (4) At the time of our inspection, the inspected portions were maintained in a reasonable condition. During the inspection, we could not gain access to various parts of the Development. We have assumed the interiors of the portions not inspected were finished to a reasonable standard.



**APPENDIX NO. 1****General Principles of Valuation****GENERAL PRINCIPLES ADOPTED IN THE PREPARATION  
AND CONDITIONS THAT APPLY TO AND FORM PART  
OF  
HONG KONG VALUATIONS AND REPORTS**

This document sets out the general principles upon which our Valuations and Reports are normally prepared, and the conditions that apply to and form part of our Valuations and Reports. They apply unless we have specifically mentioned otherwise in the body of the report. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, where appropriate, or to arrange for the execution of structural or site surveys, or any other more detailed enquiries. Any variations to these general principles and/or conditions must be confirmed in writing.

Our Valuations and Reports are confidential to, and for the use only of, the party to whom they are addressed and for the stated specific purpose. No responsibility whatsoever is accepted to any third parties who may use or rely on the whole or any part of the contents of any such Valuation or Report. The whole or any part of the Valuation or Report, or reference thereto, must not be published or referred to in any document, statement, circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

**1. Valuation Methodology:**

All work is carried out in accordance with the “HKIS Valuation Standards 2017 Edition” published by The Hong Kong Institute of Surveyors (“HKIS”), the “International Valuation Standards 2017” published by the International Valuation Standards Council (“IVSC”) and the “RICS Valuation – Global Standards 2017” published by the Royal Institution of Chartered Surveyors (“RICS”) subject to variation to meet local established law. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards.

Compliance with the RICS standards may be subject to monitoring under the RICS’ conduct and disciplinary regulations.

**2. Valuation Basis:**

Our valuations are made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out as:

*“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

Our valuations are made on the assumption that the owner sells the property on the open market without the benefit of a deferred terms contract, joint venture or similar arrangement which would serve to affect the value of the property.

Each valuation is current as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of preceding half of this paragraph, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of three months from the date of valuation.

**3. Costs:**

No allowances are made in our valuations for dealing with any encumbrances such as charges, mortgages, nor for amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale or disposal.

**4. Source of Information:**

We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant’s improvements, planning consents and other relevant matters, as summarized in our report.

**5. Assumptions**

Unless we state otherwise in the valuation, our valuation assumes (without investigation on our part), where applicable,

- (a) good and marketable title, and no encumbrance on the property’s title which could materially affect its value,
- (b) no encroachment by or on the property and no unauthorized additions or structural alterations (our valuation is made according to the original layout as shown in the Registered Floor Plans or developer’s brochure and assumes no outstanding reinstatement costs to be charged on the property),

- (c) no major environmental factor (including contamination) affects the property,
- (d) no deficiencies in the structural integrity of the property and other improvements,
- (e) the property is not affected or required for any public purposes or is to be acquired for a public purpose,
- (f) there are no outstanding statutory orders on the property or the likely possibility of future orders being made by a regulatory authority,
- (g) body corporate records and finances are in a satisfactory order and there are no major financial commitments, orders or levies in respect of any major rectifications, remedial or other works to be undertaken by the body corporate above normal maintenance,
- (h) no material litigation pending relating to the property,
- (i) that the property (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire regulations,
- (j) no deleterious materials (including by way of example asbestos and calcium chloride),
- (k) ground conditions and services are suitable (including, particularly with respect to agricultural land, no possibility of latent infestation in the soil or of disease which might affect crops or stock at any time in the future) and no extraordinary expenses or delays will be incurred due to archaeological, ecological or environmental matters.

Without affecting the generality of the above, where leases or documents of title or site and building surveys or building report or pest certificate or engineer's certificate or body corporate records are provided to us for the purpose of the valuation, reliance must not be placed on our interpretation thereof of any of these documents.

**6. Tenants:**

Enquiries as to the financial standing of actual or prospective tenants are not made unless we specifically agree to in writing. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise in writing, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

**7. Measurements:**

All measurements are carried out in accordance with the “Code of Measuring Practice” booklet published by the HKIS. To suit the local legislation and/or client’s request or agreement, we declare our departure from the “RICS property measurement” published by RICS in May 2015. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the Registered Floor Plans if available.

**8. Jurisdiction:**

Unless the parties otherwise agree in writing, all disputes arising out and relating to our valuation shall be finally settled under Hong Kong Law and the parties irrevocably submit to the jurisdiction of the Hong Kong Courts.

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## 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 capital (Note 6)
Cha Mou Sing, Payson	Beneficial owner	26,537,925		
	Interest of controlled corporations	19,071,502 (Note 1)		
	Beneficiary of discretionary trusts	531,981,820 (Note 2)	577,591,247	52.94%
Wong Sue Toa, Stewart	Beneficial owner	37,795,157		
	Interest of controlled corporation	4,270,975 (Note 3)		
	Interest of spouse	5,485,487 (Note 4)	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 capital (Note 6)
Lo Kai Cheong	Beneficial owner	7,374,137	9,722,559	0.89%
	Interest of spouse	2,348,422 (Note 5)		
Cha Mou Daid, Johnson	Beneficial owner	8,963,500	548,464,461	50.27%
	Beneficiary of discretionary trusts	539,500,961 (Note 2)		
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. 1,090,831,576 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 <i>(Note)</i>
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. 1,090,831,576 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 (Note 4)
CCM Trust (Cayman) Limited ("CCM Trust") (Note 1)	Trustee Interest of controlled corporations	487,702,041	44.70%
Mingly Corporation ("Mingly") (Note 2)	Beneficial owner Interest of controlled corporations	104,243,301	9.55%
CCM Capital Corporation ("CCM Capital") (Note 2)	Beneficial owner	78,866,272	7.22%
LBJ Regents Limited ("LBJ") (Note 3)	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. Mr. Cha Mou Sing, Payson is also a director of CCM Trust.
- (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. Mr. Cha Mou Sing, Payson is also the executive chairman of Mingly and a director of CCM Capital, while Mr. Cha Mou Daid, Johnson is a director of Mingly and CCM Capital.



- (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. Mr. Cha Mou Sing, Payson and Mr. Cha Mou Daid, Johnson are also directors of LBJ.
- (4) The percentage is calculated based on the total number of issued shares of the Company as at the Latest Practicable Date (i.e. 1,090,831,576 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 2018 (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 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
	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
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, two 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. QUALIFICATIONS AND CONSENTS OF EXPERTS AND EXPERTS' INTERESTS**

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	Certified Public Accountants
Jones Lang LaSalle Limited	An independent professional property valuer

As at the Latest Practicable Date, each of the above experts 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 2018 (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.

Each of the above experts 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 they appear.

## 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) the memorandum of understanding dated 17 May 2017 entered into among Heroic Elite Investments Limited (“**Heroic Elite**”) as purchaser, a corporate vendor and a corporate guarantor, regarding the possible acquisition of the entire issued and paid-up share capital of Waller Holdings Limited and the related shareholder’s loan (“**WHL Acquisition**”) at an aggregate consideration of HK\$145,370,000. Further details of the memorandum of understanding are set out in the announcement of the Company dated 17 May 2017;
- (b) the memorandum of understanding dated 17 May 2017 entered into among Oriental Elite Global Limited (“**Oriental Elite**”) as purchaser, a corporate vendor and a corporate guarantor, regarding the possible acquisition of the entire issued and paid-up share capital of Faithful Sun Limited and the related shareholder’s loan (“**FSL Acquisition**”) at an aggregate consideration of HK\$149,700,000. Further details of the memorandum of understanding are set out in the announcement of the Company dated 17 May 2017;

- (c) the memorandum of understanding dated 1 June 2017 entered into among Keen Elite Developments Limited (“**Keen Elite**”) as purchaser, two corporate vendors and two guarantors, regarding the possible acquisition of the entire equity interest and the shareholder’s loan in Ultimate Elite Investments Limited at an aggregate consideration of HK\$148,730,000 (“**UEIL Acquisition**”). Further details of the memorandum of understanding are set out in the announcement of the Company dated 1 June 2017;
- (d) the letter of acceptance dated 20 June 2017 issued by Yip Yun Chi, Ip Kwong Chi and Ip Lai Sheung (the executors of the estate of Yip (or Ip) Lee (or Li) Yu Yee, also known as Li (or Lee) Yu Yee, deceased) as vendors to Regal Prosper Limited (an indirect wholly owned subsidiary of the Company) as purchaser, regarding the acquisition of a property at a purchase price of HK\$166,380,000. Further details of the letter of acceptance are set out in the announcement of the Company dated 20 June 2017;
- (e) the sale and purchase agreement dated 13 July 2017 entered into among Heroic Elite as purchaser, a corporate vendor and a corporate guarantor, regarding the WHL Acquisition referred to in paragraph (a) above. Further details of the sale and purchase agreement are set out in the announcement of the Company dated 13 July 2017;
- (f) the sale and purchase agreement dated 13 July 2017 entered into among Oriental Elite as purchaser, a corporate vendor and a corporate guarantor, regarding the FSL 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 13 July 2017;
- (g) the sale and purchase agreement dated 31 July 2017 entered into among Keen Elite as purchaser, two corporate vendors, two corporate guarantors and Vision Smart Limited, regarding the UEIL Acquisition referred to in paragraph (c) above. Further details of the sale and purchase agreement are set out in the announcement of the Company dated 31 July 2017;
- (h) the 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;

- (i) the 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) as vendor (“**Richway Vendor**”) and the Guarantor (as defined in the announcement) as guarantor, regarding the 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 announcement of the Company dated 15 January 2018;
- (j) the 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 (h) above. Further details of the sale and purchase agreement are set out in the announcement of the Company dated 1 February 2018;
- (k) the sale and purchase agreement dated 21 February 2018 entered into between Hanison Construction Holdings (BVI) Limited (“**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;
- (l) the sale and purchase agreement dated 2 March 2018 entered into among Shining Bliss as purchaser, the Richway Vendor as vendor and the Guarantor (as defined in the announcement) as guarantor, regarding the Richway Acquisition referred to in paragraph (i) above. Further details of the sale and purchase agreement are set out in the announcement of the Company dated 2 March 2018;
- (m) the 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;

- (n) the 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;
- (o) the 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 (“**Pleasing Ideal Disposal**”) and the related shareholder’s loan at an aggregate consideration of HK\$1,253,000,000. Further details of the sale and purchase agreement are set out in the announcement of the Company dated 24 August 2018;
- (p) the 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;
- (q) the 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;
- (r) the 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; and
- (s) the Provisional Agreement and the Formal Agreement.

**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 memorandum and articles of association of the Company;
- (b) the report from Deloitte Touche Tohmatsu on the Unaudited Pro Forma Financial Information of the Group, the text of which is set out in Appendix III to this circular;
- (c) the property valuation report from Jones Lang LaSalle Limited, the text of which is set out in Appendix IV to this circular;
- (d) the written consents referred to in the section headed "Qualifications and consents of experts and experts' interests" in this Appendix;
- (e) the material contracts referred to in the section headed "Material contracts" in this Appendix;
- (f) the annual reports of the Company for the three financial years ended 31 March 2016, 2017 and 2018;
- (g) the interim report of the Company for the six months ended 30 September 2018;
- (h) the circular dated 24 October 2018 issued by the Company in relation to the Pleasing Ideal Disposal; and
- (i) this circular.

**10. MISCELLANEOUS**

- (a) the registered office of the Company is located at P.O. Box 309, Uglan 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 share registrar is Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, 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.