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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Chuang's China Investments Limited**, you should at once hand this circular and the form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Chuang's China Investments Limited

(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

**VERY SUBSTANTIAL DISPOSAL
PROPOSED DISPOSAL OF
PROPERTIES HOLDING COMPANIES
AND NOTICE OF SPECIAL GENERAL MEETING**

Financial adviser to the Company

 **金融有限公司**
OCTAL Capital Limited

A letter from the board of directors of Chuang's China Investments Limited is set out on pages 6 to 14 of this circular.

A notice convening the SGM to be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Thursday, 13 October 2016 at 11:00 a.m. is set out on pages 69 to 70 of this circular. Whether or not you are able to attend the SGM in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch registrar and transfer office in Hong Kong, Tricor Progressive Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the SGM (or any adjournment thereof). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the SGM should you so wish and, in such case, the form of proxy submitted shall be deemed to be revoked.

26 September 2016

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DEFINITIONS

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

“Adjustment”	adjustment which may have to be made in accordance with the terms of the SP Agreement to the Consideration
“Board”	the board of Directors
“Business Day”	means a day (other than a Saturday, a Sunday or a public holiday in the PRC or Hong Kong or a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in the PRC and Hong Kong are open for generally banking business in the PRC and Hong Kong throughout their normal business hours
“Chuang’s Consortium”	Chuang’s Consortium International Limited (stock code: 367), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Chuang’s Consortium Group”	Chuang’s Consortium and its subsidiaries
“Company” or “Vendor’s Guarantor”	Chuang’s China Investments Limited (stock code: 298), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The Company is a non-wholly-owned subsidiary of, and owned as to approximately 56% by, the Chuang’s Consortium Group
“Completion”	completion of the Disposal in accordance with the terms and conditions of the SP Agreement
“Completion Date”	the date of which Completion is to take place in accordance with the terms and conditions of the SP Agreement
“Condition”	the condition precedent to the Completion as set out in the sub-section headed “The SP Agreement — 6. Condition precedent” in the letter from the Board in this circular
“Consideration”	the consideration payable by the Purchaser to the Vendor for the Sale Shares and the Sale Loan under the SP Agreement

DEFINITIONS

“Country Garden”	Country Garden Holdings Company Limited (stock code: 2007), a company incorporated in Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the SP Agreement
“GFA”	gross floor area
“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 PRC
“Inventory”	the unsold residential and commercial properties with total GFA of about 17,815 sq. m. and the 445 unsold carparking spaces of Phase I, Phase II and Phase III of the Project
“Latest Practicable Date”	22 September 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 November 2016 or, if the Condition is not satisfied on 30 November 2016, be automatically extended to 31 December 2016 or such other date as the Vendor and the Purchaser may agree in writing
“PRC”	the People’s Republic of China
“Presold Properties”	the residential units of Blocks 29 to 31 of Phase III of the Project which have been pre-sold before the SP Agreement Date that will be retained by the Vendor

DEFINITIONS

“Project”	comprising (i) the property development project known as “Chuang’s New City (莊士新都)” located at No. 8 Chuang’s Road, Shatian, Dongguan, the PRC comprising (a) administration building; (b) Phase I (Shatian Garden 沙田花園); (c) Phase II (Gold Coast 黃金海岸); and (d) Phase III (Blocks 1 to 14 and Blocks 29 to 31, Imperial Garden 濱江豪園), all of which are already developed by the Group; and (ii) the Project Site
“Project Site”	comprises Phase IV of Chuang’s New City (莊士新都) located at No. 8 Chuang’s Road, Shatian, Dongguan, the PRC (Blocks 15 to 28 and Blocks 32 to 55), having an aggregate site area of approximately 151,966 sq. m. and GFA for future development of approximately 323,492.86 sq. m. (of which Blocks 15 to 20 are undergoing basement construction works)
“Public Notice No. 7 Tax”	tax payable in connection with the SP Agreement as required by 《國家稅務總局關於加強非居民企業股權轉讓所得稅管理的通知》(國稅函(2009) 698號) (Notice of the State Administration of Taxation on Strengthening the Administration of Enterprise Income Tax on Non-resident Enterprises’ Equity Transfer Income (No. 698 [2009] of the State Administration of Taxation), 《國家稅務總局關於非居民企業所得稅管理若干問題的公告》(國家稅務總局公告2011年第24號) (Announcement of the State Administration of Taxation on Several Issues Concerning the Administration of Income Tax on Non-Resident Enterprises (Announcement of the State Administration of Taxation (No. 24 [2011])) and Public Notice No. 7 issued by the State Administration of Taxation of PRC on 3 February 2015
“Purchaser”	View Glory Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of Country Garden, being the Purchaser under the SP Agreement
“Purchaser’s Guarantor”	Angel View International Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of Country Garden, being the guarantor of the Purchaser under the SP Agreement
“Remaining Group”	the Group other than the Target Group as contemplated under the SP Agreement

DEFINITIONS

“Retained Assets”	comprising (i) the administration building with GFA of about 4,166 sq. m. located in the Project; (ii) 12 residential units of Phase I (Shatian Garden 沙田花園); (iii) 4 carparking spaces of Phase II (Gold Coast 黃金海岸); and (iv) 8 motor vehicles, all currently owned by the Target Group
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	the interest-free shareholder’s loan owing by the Target Company to the Vendor as at Completion
“Sale Shares”	two (2) shares representing the entire equity interest in the Target Company
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting to be convened by the Company for the Shareholders to consider and, if thought fit, to approve, among other matters (if any), the SP Agreement and the transactions contemplated thereunder
“Share(s)”	share(s) of HK\$0.05 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“SP Agreement”	the conditional sale and purchase agreement dated 25 August 2016 entered into amongst the Vendor, the Purchaser, the Company and the Purchaser’s Guarantor in relation to the Disposal
“SP Agreement Date”	the date of the SP Agreement
“sq. m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Chuang’s Development (Dong Guan) Limited, a company incorporated in Hong Kong with limited liability and is directly wholly-owned by the Vendor
“Target Group”	the Target Company and its subsidiaries as at the date of the SP Agreement



Chuang's China Investments Limited

(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

Executive Directors:

Miss Ann Li Mee Sum (*Deputy Chairman*)
Mr. Albert Chuang Ka Pun (*Managing Director*)
Mr. Chong Ka Fung (*Deputy Managing Director*)
Mr. Sunny Pang Chun Kit
Mr. Peter Lo Wing Cheung

Independent Non-Executive Directors:

Mr. Abraham Shek Lai Him, *G.B.S., J.P. (Chairman)*
Mr. David Chu Yu Lin, *S.B.S., J.P.*
Mr. Andrew Fan Chun Wah, *J.P.*

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal office in Hong Kong:

25th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

26 September 2016

To the Shareholders,

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
PROPOSED DISPOSAL OF PROPERTIES HOLDING COMPANIES**

INTRODUCTION

The Board announced that on 25 August 2016 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company), the Purchaser, the Company (as guarantor of the Vendor) and the Purchaser's Guarantor entered into the SP Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares (being the entire issued share capital of the Target Company) and the Sale Loan at an aggregate consideration of approximately RMB1,330.4 million (equivalent to approximately HK\$1,545.9 million), subject to the Adjustment.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is above 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to give you further information on the Disposal, a valuation report on the Project Site and the Inventory, other information as required under the Listing Rules and the notice of the SGM at which the necessary resolution will be proposed to consider and, if thought fit, approve the SP Agreement and the transactions contemplated thereunder.

THE SP AGREEMENT

1. Date

25 August 2016 (after trading hours)

2. Parties

The Vendor: Chuang's China Realty Limited;

The Vendor's Guarantor: The Company;

The Purchaser: View Glory Enterprises Limited; and

The Purchaser's Guarantor: Angel View International Limited

The Purchaser and the Purchaser's Guarantor are companies incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, both the Purchaser and the Purchaser's Guarantor are indirect wholly-owned subsidiaries of Country Garden.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser, the Purchaser's Guarantor and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules); (ii) the Purchaser is principally engaged in investment holding; and (iii) the Purchaser's Guarantor is principally engaged in investment holding and rendering of property related sales services.

The Company and the Purchaser's Guarantor were joined as parties to the SP Agreement to guarantee the payment performance of the Vendor and the Purchaser respectively under the SP Agreement.

3. Assets to be disposed of

Pursuant to the SP Agreement, the assets to be disposed of by the Vendor comprise the Sale Shares (being the entire issued share capital of the Target Company beneficially owned by the Vendor) and the Sale Loan (being the entire shareholder's loan owing by the Target Company to the Vendor at Completion).

The assets of the Target Group, at Completion, will comprise (a) the Project Site; (b) the Inventory; and (c) the remaining bank balances held in the regulated bank accounts of the Target Group arise from presale proceeds that will be released upon handover of Presold Properties to buyers ("**Regulated Fund**"). The liabilities of the Target Group, at Completion, will comprise (a) the Sale Loan; (b) the payables in relation to Phase I, Phase II and Phase III

LETTER FROM THE BOARD

of the Project including, inter alia, the associated construction costs and selling expenses and other sundry payables (“**Other Payables**”); and (c) the tax obligation in relation to Phase I, Phase II and Phase III of the Project and the transfer of the Retained Assets out of the Target Group (“**Tax Liabilities**”).

The Vendor has conditionally agreed to sell the Sale Shares and the Sale Loan to the Purchaser free from encumbrances but together with all rights attached, accrued or accruing thereto as at the Completion Date and together with all dividends and distributions declared made or paid or agreed to be made or paid thereon or in respect thereof on or after the Completion Date.

4. Consideration and Adjustment

The Consideration under the SP Agreement is approximately RMB1,330.4 million (equivalent to approximately HK\$1,545.9 million), subject to the Adjustment, which shall be satisfied in cash by the Purchaser to the Vendor in the following manners:

- (a) RMB300 million (equivalent to approximately HK\$348.6 million), being the initial deposit of the Consideration (“**Deposit**”), has been paid upon signing of the SP Agreement; and
- (b) approximately RMB1,030.4 million (equivalent to approximately HK\$1,197.3 million), being the remaining balance of the Consideration, together with the Adjustment (if any), shall be paid on the Completion Date. The Purchaser’s Guarantor shall guarantee such obligation of the Purchaser.

Pursuant to the SP Agreement, the Vendor and the Purchaser agreed that the Adjustment will be made to the Consideration upon Completion, in the event that there are subsequent reduction to Regulated Fund of approximately RMB6.1 million (equivalent to approximately HK\$7.1 million) and payment of Other Payables of approximately RMB33.9 million (equivalent to approximately HK\$39.4 million) and Tax Liabilities of approximately RMB86.0 million (equivalent to approximately HK\$99.9 million) during the period from the SP Agreement Date up to the Completion Date (“**Period**”).

The Adjustment to the Consideration upon Completion will be calculated as follows:

(Other Payables at the SP Agreement Date – Other Payables at the Completion Date)
+ (Tax Liabilities at the SP Agreement Date – Tax Liabilities at the Completion Date)
– (Regulated Fund at the SP Agreement Date – Regulated Fund at the Completion Date)

The maximum upward Adjustment (if any) will not be more than approximately RMB63.9 million (equivalent to approximately HK\$74.3 million), representing the entire amount of Other Payables and a portion of Tax Liabilities that may be settled before Completion. The maximum downward Adjustment (if any) will not be more than approximately RMB6.1 million (equivalent to approximately HK\$7.1 million), representing the entire amount of Regulated Fund.

LETTER FROM THE BOARD

The Consideration (together with the Adjustment, if any) was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account market prices of similar properties in nearby area and adjusting the net asset value of the Target Group at Completion for the agreed value of the Project Site at approximately RMB1,259.2 million (equivalent to approximately HK\$1,463.2 million) and the Inventory at RMB185.0 million (equivalent to approximately HK\$214.9 million). Therefore, the Consideration (together with the Adjustment, if any) is approximately equal to the agreed market value of the Project Site and the Inventory plus the amount of Regulated Fund and minus the amount of Other Payables and Tax Liabilities at the Completion Date.

The Project Site and the Inventory (at completed state) was respectively valued by DTZ Cushman & Wakefield Limited, an independent valuer, as at 31 August 2016 at RMB936.0 million (equivalent to approximately HK\$1,087.6 million) and RMB182.0 million (being the aggregate of the valuation of the property held for sale and property held under development at completed state of RMB124.0 million and RMB58.0 million respectively) (equivalent to approximately HK\$211.5 million). The agreed value of the Project Site at approximately RMB1,259.2 million and the Inventory at RMB185.0 million represents respective premium of approximately 34.5% and 1.6% to the aforesaid valuation. The valuation report of the Project Site and the Inventory is shown in Appendix V to this circular.

5. Retained Assets

Pursuant to the SP Agreement, the ownership of the Retained Assets currently owned by the Target Group shall be retained by the Vendor. The Purchaser shall assist the subsidiaries of the Target Group to transfer the title of ownership of the Retained Assets to designated company(ies) of the Vendor after Completion if such Retained Assets have not been transferred out of the Target Group prior to Completion.

6. Condition precedent

Completion shall be conditional on the obtaining of all necessary approvals from the Shareholders and the shareholders of Chuang's Consortium for the SP Agreement and the transactions contemplated thereunder and the obtaining of the necessary consent for the transactions contemplated under the SP Agreement pursuant to the Listing Rules.

As at the Latest Practicable Date, the approval from the shareholders of Chuang's Consortium for the SP agreement and the transactions contemplated thereunder has been obtained in accordance with Rule 14.44 of the Listing Rules and, accordingly, the condition precedent in relation thereto has been fulfilled.

7. Completion

Completion shall take place on the tenth Business Day following the date on which the Condition has been satisfied (or on such other day as the Vendor and the Purchaser mutually agree in writing).

LETTER FROM THE BOARD

Upon Completion, the Target Group will cease to be subsidiaries of the Company and the Company will cease to have any interest in the Target Group. Therefore, the assets, liabilities and results of the Target Group (except for those arising from the Presold Properties and the Retained Assets) will cease to be consolidated into the consolidated financial statements of the Group.

8. Other terms

Pursuant to the SP Agreement, it was agreed, inter alia, that:

- (a) the Vendor shall be responsible for filing the tax documents in relation to the Disposal under the SP Agreement pursuant to the Public Notice No. 7 Tax and the Purchaser shall be responsible for settlement of the relevant tax. The Purchaser's Guarantor shall guarantee such obligation of the Purchaser;
- (b) the Vendor shall be responsible for fulfillment of the handover work of the Presold Properties not later than six months after Completion;
- (c) during the Period, the Purchaser shall make advances ("**Advances**"), if required, to the Target Group for the purpose of settling the construction costs relating to Blocks 15 to 20 of the Project Site. Such Advances shall not exceed approximately RMB30.0 million (equivalent to approximately HK\$34.9 million); and
- (d) at the request of the Purchaser, the Vendor shall procure the Target Group to enter into contracts ("**Contracts**") relating to the Project Site prior to Completion. In this respect, the Purchaser shall bear all such expenditures ("**Project Site Expenses**") arising therefrom.

9. Termination

The SP Agreement may be terminated when any of the following events occurs:

- (a) if the Condition is not satisfied on or before the Long Stop Date, either the Purchaser or the Vendor may terminate the SP Agreement and, in such event, the Vendor shall return the Deposit to the designated bank account of the Purchaser in full and the Vendor's Guarantor shall guarantee such obligation of the Vendor; or
- (b) when the Purchaser fails to fulfill its obligations under the SP Agreement to proceed with Completion, provided that the Condition has been satisfied and the Vendor has not breached the terms under the SP Agreement, the Vendor may terminate the SP Agreement immediately by informing the Purchaser in writing. In such event, the Deposit shall be forfeited upon such termination as compensation payable to the Vendor, and the Purchaser shall indemnify the Vendor against all losses arising from the Contracts. Furthermore, the Vendor is not required to refund the Advances and the Project Site Expenses (if any) to the Purchaser; or

LETTER FROM THE BOARD

- (c) when the Vendor fails to fulfill its obligations under the SP Agreement to proceed with Completion, provided that the Condition has been satisfied and the Purchaser has not breached the terms of the SP Agreement, the Purchaser may terminate the SP Agreement immediately by informing the Vendor in writing. In such event, the Vendor shall return the Deposit to designated bank account of the Purchaser in full and pay an amount equivalent to the amount of the Deposit to the Purchaser as compensation upon such termination and the Vendor's Guarantor shall guarantee such obligation of the Vendor.

In the case of termination under 9(a) or 9(c) above, the Vendor shall also refund the Advances and the Project Site Expenses (if any) to the Purchaser in full.

INFORMATION ON THE TARGET COMPANY, THE TARGET GROUP AND THE PROJECT

The Target Company is incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Vendor. The Target Company is principally engaged in investment holding and owns the Project through its wholly-owned subsidiaries. Subsidiaries of the Target Company are the owners of the land use rights of the Project, the intended use of which is for commercial and residential use. In the past years, the Target Group has completed three phases of the development, namely Phase I, Phase II and Phase III (comprising Blocks 1 to 14 and the Presold Properties) of the Project with aggregate GFA of approximately 280,000 sq. m., of which most of them have been sold or pre-sold. The Phase IV (being the Project Site and is the remaining portion of the Project), having a total GFA of about 323,492.86 sq. m., will have a development cycle of over 5 years to complete.

At Completion, the principal assets of the Target Group are (i) the Project Site, of which basement construction works for Blocks 15 to 20 of Phase IV are in progress; and (ii) the Inventory, comprising the unsold residential and commercial properties with total GFA of approximately 17,815 sq. m. and 445 carparking spaces of Phase I, Phase II and Phase III of the Project.

A summary of the consolidated financial information of the Target Group for the two years ended 31 March 2016 is set out below:

	For the years ended	
	31 March	
	2016	2015
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Net profit before taxation and extraordinary items	12.8	70.7
Net (loss)/profit after taxation and extraordinary items	(12.1)	49.5

The consolidated net asset value of the Target Group (excluding the amount due to the Vendor of approximately HK\$510.1 million) as at 31 March 2016 amounted to approximately HK\$221.4 million.

LETTER FROM THE BOARD

INFORMATION ON THE VENDOR AND THE GROUP

The Vendor is a company incorporated in Bermuda with limited liability and is a direct wholly-owned subsidiary of the Company. The Vendor is principally engaged in investment holding. The Group is principally engaged in property development, investment and trading, hotel operation and management, manufacturing, sales and trading of goods and merchandises, including watch components and art pieces, and securities investment and trading.

REASONS FOR, AND BENEFITS OF, THE DISPOSAL

The Project is one of the property development projects of the Group in the PRC, and its development is divided into different phases. In the past few months, the property prices in Dongguan where the Project is located are rising as driven by improved infrastructure. In this regard, the Group is closely evaluating the benefits of disposing of the Project in order to capitalize this rising trend. As disclosed in the annual report of the Company for the year ended 31 March 2016 (“**2016 Annual Report**”), the Group may, depending on the market conditions, dispose its entire interests in the Project which would allow the Group to unlock the stored value, and accelerate the return, in the Project. Furthermore, the Disposal will also enable the Group to realize cash and strengthen its financial position for future business expansion.

The net cash proceeds from the Disposal, after deducting the estimated expenses in relation to the Disposal, will amount to approximately RMB1,298.0 million (equivalent to approximately HK\$1,508.3 million). It is currently intended that the net proceeds will be applied as general working capital and for business development of the Group. As stated in the 2016 Annual Report, the Group will consolidate its development strategy to focus on property development in first tier cities as well as to further diversify to other businesses with steady income. The Group will identify opportunities for acquisition of investment properties at prime location, which will provide sustainable and stable income. Geographically, the Group will seek for opportunities not only in Hong Kong and the PRC but also to expand to other developed countries. Furthermore, the Group will proactively explore business innovations to achieve long-term sustainable development, and will focus on those ventures that require similar skill-sets of land acquisition, land planning and utilization.

Based on the Consideration of approximately RMB1,330.4 million (equivalent to approximately HK\$1,545.9 million) and the consolidated net asset value of the Target Group (excluding the amount due to the Vendor) as at 31 March 2016 of approximately HK\$221.4 million, the Group is expected to record an estimated net gain from the Disposal of approximately HK\$1,243.0 million. Such net gain has taken into account the estimated expenses (including stamp duty, staff pension of the Target Group, professional fees and commission) in relation to the Disposal of approximately HK\$30.6 million, adding the realization of exchange reserve of approximately HK\$12.5 million and deducting the net value of assets and liabilities retained by the Remaining Group of approximately HK\$63.4 million. However, the actual amount of net gain from the Disposal can only be determined at Completion.

LETTER FROM THE BOARD

On the basis of the above, the Directors are of the view that the terms of the SP Agreement are on normal commercial terms, fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL ON THE REMAINING GROUP

Assets and liabilities

According to the 2016 Annual Report, the audited consolidated total assets and total liabilities of the Group as at 31 March 2016 were approximately HK\$4,176.0 million and HK\$1,667.2 million respectively. Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular, assuming Completion had taken place on 31 March 2016, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group would be approximately HK\$5,295.4 million and HK\$1,556.0 million respectively, and the unaudited pro forma consolidated shareholders' fund of the Remaining Group would be approximately HK\$3,740.1 million.

Profit for the year

For the year ended 31 March 2016, the Group recorded an audited profit for the year of approximately HK\$88.1 million. Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular, assuming Completion had taken place on 1 April 2015, the unaudited pro forma consolidated profit of the Remaining Group for the year ended 31 March 2016 would be approximately HK\$1,360.4 million.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal is above 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the Disposal and therefore, no Shareholders will be required to abstain from voting on the resolution to be proposed at the SGM to approve the Disposal contemplated under the SP Agreement.

Profit Stability Investments Limited (“**Profit Stability**”), a wholly-owned subsidiary of Chuang's Consortium, has irrevocably undertaken that it will vote not less than 50% of the issued shares of the Company in favour of the resolution to be proposed at the SGM to approve the SP Agreement and the transactions contemplated thereunder. Currently, Profit Stability owns approximately 56% interest in the Company.

SGM

A notice convening the SGM at which an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, to approve the SP Agreement and the transactions contemplated thereunder to be held at 25th Floor, Alexandra House, 18 Chater Road, Central,

LETTER FROM THE BOARD

Hong Kong on Thursday, 13 October 2016 at 11:00 a.m. is set out on pages 69 to 70 of this circular. Whether or not you are able to attend the SGM in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch registrar and transfer office in Hong Kong, Tricor Progressive Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the SGM (or any adjournment thereof). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the SGM should you so wish and, in such case, the form of proxy previously submitted shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing rules, the resolution will be voted on by way of poll at the SGM and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Board believes that the Disposal is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution in relation to the Disposal to be proposed in the SGM.

ADDITIONAL INFORMATION

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

By order of the Board of
Chuang's China Investments Limited
Albert Chuang Ka Pun
Managing Director

1. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 March 2014, 2015 and 2016 are disclosed in the annual reports of the Company for the financial years ended 31 March 2014 (pages 67 to 129), 31 March 2015 (pages 71 to 144), and 31 March 2016 (pages 68 to 144), respectively, and are incorporated by reference into this circular.

The said annual reports of the Company are available on the Company's website at www.chuang-china.com and website of the Stock Exchange at www.hkexnews.hk through the links below:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0727/LTN20160727457.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0727/LTN20150727493.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0723/LTN20140723719.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately HK\$932.7 million, comprising bank borrowings of approximately HK\$920.2 million of which approximately HK\$720.2 million was secured by fixed charges on certain assets of the Group, and unsecured borrowings from non-controlling shareholders of approximately HK\$12.5 million.

As at 31 August 2016, the Group provided guarantees of approximately HK\$959.9 million to banks for mortgage loans made by the banks to the purchasers of properties sold by the Group in the PRC.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 31 August 2016, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse changes in the financial or trading position or prospects of the Group since 31 March 2016 (being the date which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Group including the internally generated funds, the currently available facilities and the effects of the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

As for the property investment business, the Remaining Group will continue to increase its investment property portfolio for rental purpose, which will bring recurrent and steady cash inflow, in order to weather the slowdown of property sales as a result of reducing GFA under development in the PRC. Furthermore, the Xiamen Mingjia Hotel (廈門銘家酒店), a 59.5% joint venture company of the Remaining Group, has currently entered into the operation stage. Marketing for the leasing of the 100-rooms hotel and the 30 villas are in progress, and the tenancy for the 100-rooms hotel is expected to be finalized soon.

As for the property development business, the Presold Properties (Blocks 29 to 31 of Imperial Garden), having 420 residential flats with a total GFA of approximately 40,000 sq. m., has been entirely pre-sold at about RMB298 million (equivalent to approximately HK\$346 million). These sales will be recorded as revenues when properties are handed over to buyers. It is expected that occupancy of the Presold Properties will be handed over to buyers soon.

In Guangzhou, the Remaining Group intended to kick off Phase III of Chuang's Le Papillon with a site area of about 33,200 sq. m. and total GFA of about 54,000 sq. m.. However, the approval process from the relevant authorities is lengthy and is progressing slow. Preparatory construction works have commenced, and superstructure works will commence once the approvals from the relevant authorities for Phase III are obtained. As for the future plan of the remaining development with a site area of about 60,276 sq. m., the Remaining Group will adopt a medium to long term planning approach while awaiting for land quota to be allocated.

In Anshan, Chuang's Mid-town consists of a 6-level commercial podium providing an aggregate GFA of about 29,616 sq. m.. Above the podium will be a twin tower (Block AB and C) with 27 and 33-storey respectively, offering total GFA of about 63,000 sq. m. as residential and service apartments. Superstructure works of the commercial podium and the twin tower have topped off in November 2015. Internal and external finishing works are in satisfactory progress. Discussions to lease the entire Block A is in progress, whereas marketing to lease out the commercial podium and Block C has also been launched.

Adjacent to Chuang's Mid-town, the second site of the Remaining Group, Chuang's Plaza, has a developable GFA of 390,000 sq. m. and will provide a mega integrated development including office towers, retail, food and beverage and entertainment facilities together with residential blocks. Master planning is in progress and the Remaining Group will adopt a longer term planning for this project.

In Tuen Mun, building plans of the development project have been approved. Contract for excavation and lateral support works and foundation works has been awarded. Excavation and lateral support works have recently commenced and it is expected that foundation works will be completed in the third quarter of 2017.

As can be seen from analysis shown in the section headed “Reasons for, and benefits of, the Disposal” in the letter from the Board, the net asset value and the financial position of the Remaining Group would be greatly enhanced following completion of the Disposal, which is beneficial to the long-term development of the Remaining Group. Furthermore, the completion of the Disposal would also facilitate the Remaining Group to look for new business opportunities, including, inter alia, land acquisitions and property investments, should opportunities arise.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the unaudited consolidated balance sheets of the Target Group as at 31 March 2014, 2015 and 2016 and the unaudited consolidated statements of comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated cash flow statements of the Target Group for the years ended 31 March 2014, 2015 and 2016, and certain explanatory notes (the “Financial Information”). The Financial Information has been presented on the basis set out in note 1 of the notes to the Financial Information and are prepared in accordance with the accounting policies adopted by the Company as shown in its annual report for the year ended 31 March 2016, and paragraph 68(2)(a)(i) of Chapter 14 of the Listing Rules. The Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company’s reporting accountant was engaged to review the financial information of the Target Group set out in pages 18 to 25 of this circular in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountant to obtain assurance that the reporting accountant would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountant does not express an audit opinion. The reporting accountant has issued an unmodified review report.

1. Unaudited Consolidated Statements of Comprehensive Income

	For the year ended 31 March		
	2014	2015	2016
	HK\$'000	HK\$'000	HK\$'000
Revenues	49,938	359,847	170,845
Cost of sales	<u>(38,342)</u>	<u>(266,790)</u>	<u>(120,171)</u>
Gross profit	11,596	93,057	50,674
Other income and net gain	2,107	1,723	483
Selling and marketing expenses	(10,865)	(13,342)	(11,566)
Administrative and other operating expenses	(18,239)	(17,178)	(18,824)
Change in fair value of investment properties	<u>1,680</u>	<u>6,447</u>	<u>4,186</u>
Operating (loss)/profit	(13,721)	70,707	24,953
Finance costs	<u>—</u>	<u>—</u>	<u>(12,154)</u>
(Loss)/profit before taxation	(13,721)	70,707	12,799
Taxation	<u>(1,459)</u>	<u>(21,200)</u>	<u>(24,936)</u>
(Loss)/profit for the year	<u>(15,180)</u>	<u>49,507</u>	<u>(12,137)</u>
Other comprehensive income:			
Item that may be reclassified subsequently to profit and loss:			
Net exchange differences	<u>(347)</u>	<u>(72)</u>	<u>4,717</u>
Other comprehensive (loss)/income for the year	<u>(347)</u>	<u>(72)</u>	<u>4,717</u>
Total comprehensive (loss)/income for the year	<u>(15,527)</u>	<u>49,435</u>	<u>(7,420)</u>

2. Unaudited Consolidated Balance Sheets

	As at 31 March		
	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment	11,957	11,317	10,586
Investment properties	70,869	84,527	90,640
Land use right	<u>1,632</u>	<u>1,600</u>	<u>1,562</u>
	<u>84,458</u>	<u>97,444</u>	<u>102,788</u>
Current assets			
Properties for sale	627,087	519,667	547,418
Debtors and prepayments	13,201	9,666	28,649
Pledged bank balances	440	269	173
Cash and bank balances	<u>57,029</u>	<u>21,936</u>	<u>189,656</u>
	<u>697,757</u>	<u>551,538</u>	<u>765,896</u>
Current liabilities			
Creditors and accruals	43,253	46,978	34,104
Sales deposits received	95,852	4,868	350,478
Amount due to the immediate holding company	644,148	586,695	510,107
Current portion of long-term bank borrowings containing a repayment on demand clause	178,616	187,365	149,887
Taxation payable	<u>6,618</u>	<u>26,788</u>	<u>37,692</u>
	<u>968,487</u>	<u>852,694</u>	<u>1,082,268</u>
Net current liabilities	<u>(270,730)</u>	<u>(301,156)</u>	<u>(316,372)</u>
Total assets less current liabilities	<u>(186,272)</u>	<u>(203,712)</u>	<u>(213,584)</u>
Non-current liability			
Deferred taxation liabilities	<u>83,610</u>	<u>77,566</u>	<u>75,114</u>
Net liabilities	<u>(269,882)</u>	<u>(281,278)</u>	<u>(288,698)</u>
Equity			
Share capital	—	—	—
Reserves	<u>(269,882)</u>	<u>(281,278)</u>	<u>(288,698)</u>
	<u>(269,882)</u>	<u>(281,278)</u>	<u>(288,698)</u>

3. Unaudited Consolidated Statements of Changes in Equity

	Share capital <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1 April 2013	—	8,159	(262,514)	(254,355)
Loss for the year	—	—	(15,180)	(15,180)
Net exchange differences	—	(347)	—	(347)
Balance at 31 March 2014	—	7,812	(277,694)	(269,882)
Profit for the year	—	—	49,507	49,507
Net exchange differences	—	(72)	—	(72)
Dividend	—	—	(60,831)	(60,831)
Balance at 31 March 2015	—	7,740	(289,018)	(281,278)
Loss for the year	—	—	(12,137)	(12,137)
Net exchange differences	—	4,717	—	4,717
Balance at 31 March 2016	—	12,457	(301,155)	(288,698)

4. Unaudited Consolidated Cash Flow Statements

	Year ended 31 March		
	2014	2015	2016
	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities			
Operating (loss)/profit	(13,721)	70,707	24,953
Interest income from bank deposits	(1,206)	(573)	(286)
Fair value gain on transfer of properties from properties for sale to investment properties	(681)	(1,071)	—
Loss on disposal of property, plant and equipment	—	180	—
Change in fair value of investment properties	(1,680)	(6,447)	(4,186)
Amortization of land use right	32	32	32
Depreciation	832	599	403
	<u> </u>	<u> </u>	<u> </u>
Operating (loss)/profit before working capital changes	(16,424)	63,427	20,916
(Increase)/decrease in properties for sale	(71,739)	113,867	(40,357)
Decrease/(increase) in debtors and prepayments	691	3,544	(19,678)
Increase/(decrease) in creditors and accruals	843	10,722	(8,804)
Increase/(decrease) in sales deposits received	92,921	(91,182)	351,313
	<u> </u>	<u> </u>	<u> </u>
Cash from operations	6,292	100,378	303,390
Interest paid	(3,346)	(14,909)	(12,107)
Tax paid	(4,790)	(7,031)	(15,008)
	<u> </u>	<u> </u>	<u> </u>
Net cash (used in)/from operating activities	(1,844)	78,438	276,275
	<u> </u>	<u> </u>	<u> </u>

	Year ended 31 March		
	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Cash flows from investing activities			
Interest income received	1,206	573	286
Purchase of property, plant and equipment	(196)	(135)	(121)
Additions to investment properties	(5,859)	(4,453)	(5,463)
Decrease in pledged bank balances	<u>76</u>	<u>171</u>	<u>96</u>
Net cash used in investing activities	<u>(4,773)</u>	<u>(3,844)</u>	<u>(5,202)</u>
Cash flows from financing activities			
New bank borrowings	181,219	8,723	—
Repayment of bank borrowings	—	—	(30,455)
Decrease in amount due to the immediate holding company	(210,919)	(57,599)	(69,247)
Dividend to shareholders	<u>—</u>	<u>(60,831)</u>	<u>—</u>
Net cash used in financing activities	<u>(29,700)</u>	<u>(109,707)</u>	<u>(99,702)</u>
Net (decrease)/increase in cash and cash equivalents	(36,317)	(35,113)	171,371
Cash and cash equivalents at the beginning of the year	93,394	57,029	21,936
Exchange difference on cash and cash equivalents	<u>(48)</u>	<u>20</u>	<u>(3,651)</u>
Cash and cash equivalents at the end of the year	<u><u>57,029</u></u>	<u><u>21,936</u></u>	<u><u>189,656</u></u>

5. Notes to the Financial Information

1. BASIS OF PREPARATION

The Financial Information of the Target Group has been prepared in accordance with the accounting policies adopted by the Company as shown in its annual report for the year ended 31 March 2016, and paragraph 68(2)(a)(i) of Chapter 14 of the Listing Rules. The Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular.

The Financial Information has been prepared under the historical cost convention as modified by the revaluation of investment properties at fair value.

The Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) "Presentation of Financial Statements" or an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The Financial Information is presented in Hong Kong dollars.

At 31 March 2014, 2015 and 2016, the Target Group had net current liabilities of approximately HK\$270,730,000, HK\$301,156,000 and HK\$316,372,000, respectively, and net liabilities of approximately HK\$269,882,000, HK\$281,278,000 and HK\$288,698,000, respectively. The Company has confirmed its intention to provide sufficient financial support to the Target Group so as to enable the Target Group to meet all its liabilities and obligations as and when they fall due and to enable the Target Group to continue its business until the twelve months after the respective years ended 31 March 2014 and 2015, and the earlier of twelve months after the year ended 31 March 2016 and the Completion Date of the Disposal. The Purchaser's Guarantor has also confirmed its intention to provide sufficient financial support to the Target Group so as to enable the Target Group to meet all its liabilities and obligations as and when they fall due and to enable the Target Group to continue its business from the Completion Date of the Disposal up to twelve months after the year ended 31 March 2016. Consequently, the Financial Information of the Target Group has been prepared on a going concern basis.

The financial information relating to the years ended 31 March 2014, 2015 and 2016 included in this Financial Information does not constitute the Target Group's statutory annual financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

As the Target Company is not a public company, it is not required to deliver its financial statements to the Registrar of Companies as required by section 622 and Part 3 of Schedule 6 to the Hong Kong Companies Ordinance (Cap. 622).

The Target Group's auditor has reported on the stand alone financial statements of the Target Company for the years ended 31 March 2014, 2015 and 2016. No consolidated financial statements have been prepared as the Target Company has satisfied the exemption requirement set out in section 379(3)(a) of the Hong Kong Companies Ordinance (Cap. 622) for the years ended 31 March 2015 and 2016 and Hong Kong Financial Reporting Standard 10.4 for the year ended 31 March 2014. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622) (or under their equivalent requirements found in section 141 of the predecessor Hong Kong Companies Ordinance (Cap. 32)).

2. FINANCIAL GUARANTEES

	As at 31 March		
	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Guarantees for mortgage loans to purchasers of properties of the Target Group in the PRC (<i>Note</i>)	<u>89,379</u>	<u>143,791</u>	<u>386,248</u>

Note: The financial guarantees provided by the Target Group represented the guarantees in respect of mortgage loans made by certain banks to certain purchasers of the Target Group's properties in the PRC. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Target Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Target Group is entitled to take over the legal title and possession of the related properties. Such guarantees will be terminated upon the earlier of (i) the issuance of the property ownership certificates which is generally available within six months to one year after the purchasers take possession of the relevant properties; or (ii) the satisfaction of mortgage loans by the purchasers of properties. Since the Target Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Target Group to the banks, the estimated net amounts required to be settled by the Target Group and the fair value of the financial guarantees as calculated are not material and hence not recognized in the consolidated financial statements. Bank deposits of HK\$440,000, HK\$269,000 and HK\$173,000 have been pledged for such financial guarantees provided by the Target Group for the years ended 31 March 2014, 2015 and 2016, respectively.

3. SUBSEQUENT EVENT

The bank borrowings were fully repaid by the Target Group in May 2016.

Following the Disposal, the Remaining Group will continue to carry out its existing businesses. Set out below are the management discussion and analysis of the Remaining Group for each of the three financial years ended 31 March 2014, 2015 and 2016.

Segmental information

The Remaining Group had four business segments, namely property development, investment and trading, sales of goods and merchandises, securities investment and trading and others. A summary of the revenues and profit or loss of each business segment of the Remaining Group for the three years ended 31 March 2014, 2015 and 2016 is as follows:

	Property development, investment and trading	Sales of goods and merchandises	Securities investment and trading	Others and corporate	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
2014					
Revenues	787,314*	10,833	—	—	798,147
Profit/(loss) for the year	208,376*	(18,514)	—	(69,054)	120,808

* Revenues and profit/(loss) for the year as shown include the amounts arising from Phase I, Phase II and Phase III of the Project which were belonged to the Remaining Group.

For the year ended 31 March 2014, revenues of the Remaining Group was approximately HK\$798 million, which was mainly derived from sales of completed development properties in the PRC. During 2014, the Remaining Group recorded a profit attributable to equity holders of the Company of approximately HK\$121 million, which was mainly attributed by the gross profit from sales of development properties in the PRC, the gain on disposal of a subsidiary as announced on 27 May 2013 and the fair value gain on transfer of properties from properties for sale to investment properties.

	Property development, investment and trading	Sales of goods and merchandises	Securities investment and trading	Others and corporate	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
2015					
Revenues	999,165*	2,911	226	—	1,002,302
Profit/(loss) for the year	156,452*	(1,771)	157	(55,603)	99,235

* Revenues and profit/(loss) for the year as shown include the amounts arising from Phase I, Phase II and Phase III of the Project which were belonged to the Remaining Group.

For the year ended 31 March 2015, revenues of the Remaining Group increased by approximately 26% to HK\$1,002 million as compared to the previous year. The increase is mainly resulted from increase in sales of completed development properties in the PRC. During 2015, the Remaining Group recorded a profit attributable to equity holders of the Company of

approximately HK\$99 million, representing a decrease of about 18% as compared to the previous year. Despite the gross profit rose, profit for the year decreased as a result of dropped in other income and net gain derived from the one off gain from disposal of a subsidiary recorded in previous year and the reduction of fair value gain on transfer of properties from properties for sale to investment properties.

2016	Property development, investment and trading <i>HK\$'000</i>	Sales of goods and merchandises <i>HK\$'000</i>	Securities investment and trading <i>HK\$'000</i>	Others and corporate <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenues	451,779*	932	9,423	—	462,134
Profit/(loss) for the year	166,548*	(1,663)	8,732	(75,792)	97,825

* Revenues and profit/(loss) for the year as shown include the amounts arising from Phase I, Phase II and Phase III of the Project which were belonged to the Remaining Group.

For the year ended 31 March 2016, revenues of the Remaining Group decreased by approximately 54% to HK\$462 million as compared to the previous year. The decrease is mainly resulted from reduction in sales of completed development properties in the PRC. During 2016, the Remaining Group recorded a profit attributable to equity holders of the Company of approximately HK\$98 million which was slightly reduced from the previous year. The slight decrease was attributable to the reduction of gross profit as revenues dropped and an increase in administrative and other operating expenses, but offset by an increase in other income and net gain as well as an increase in fair value gain of investment properties in the PRC.

Liquidity, financial resources and capital commitments

The Remaining Group's assets portfolio was mainly financed by its shareholders' funds and bank borrowings.

	As at 31 March		
	2014 <i>HK\$million</i>	2015 <i>HK\$million</i>	2016 <i>HK\$million</i>
Shareholders' funds of the Remaining Group	2,240	2,299	2,179
Bank borrowings of the Remaining Group	405	623	709
Bank borrowings of the Remaining Group denominated in:			
Hong Kong dollar	19%	57%	66%
Renminbi	81%	43%	34%

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, the Remaining Group's bank borrowings were repayable:

	As at 31 March		
	2014	2015	2016
Within the first year	4%	52%	44%
Within the second year	55%	46%	2%
Within the third to fifth years	41%	2%	54%
Effective interest rates of bank borrowings per annum	3.11% to 7.38%	2.08% to 7.20%	1.54% to 8.08%

	As at 31 March		
	2014	2015	2016
	<i>HK\$million</i>	<i>HK\$million</i>	<i>HK\$million</i>
Net current assets of the Remaining Group	1,720	1,596	1,437
Cash and bank balances (including pledged bank balances) of the Remaining Group	1,143	910	598
Cash and bank balances (including pledged bank balances) of the Remaining Group denominated in:			
Hong Kong dollar and United States dollar	33%	12%	45%
Renminbi	67%	88%	55%

As at 31 March 2014, 2015 and 2016, capital commitments of the Remaining Group amounted to HK\$189 million, HK\$307 million and HK\$287 million, respectively. These capital commitments mainly related to property development expenditures for the Remaining Group's property projects.

For the years ended 31 March 2014, 2015 and 2016, the Company had issued approximately 33.8 million Shares, 12.0 million Shares and 13.4 million Shares, respectively pursuant to the final scrip dividend schemes, which represented approximately HK\$16 million, HK\$6 million and HK\$6 million, respectively.

In May 2016, the Company has completed the rights issue to raise net proceeds of approximately HK\$223 million and the use of proceeds is to finance daily operations and for further expansion of the Remaining Group.

Material investments, and material acquisitions and disposals of subsidiaries and associated companies

On 27 May 2013, a wholly-owned subsidiary of the Company entered into an agreement with an independent third party to dispose of its investment in its wholly-owned subsidiary at a consideration of HK\$1 with a tax indemnity of approximately HK\$58.5 million granted in favour of the purchaser for a period of two years from completion, details of the transaction were set out in the announcement of the Company dated 27 May 2013.

On 18 July 2013, a wholly-owned subsidiary of the Company entered into an agreement with other independent third parties to subscribe for approximately 3.8% interest of a company with principal activities in, inter alia, investment, property investment and development in the PRC. Total commitment in this investment amounted to RMB100 million (equivalent to approximately HK\$116.2 million), of which RMB60 million (equivalent to approximately HK\$69.7 million) were paid up to 31 March 2016. Details of the transaction were set out in the announcement of the Company dated 18 July 2013.

On 21 April 2015, the Company and its wholly-owned subsidiary entered into an agreement with Midas International Holdings Limited and its wholly-owned subsidiary to acquire the entire interest of a property holding company (the major assets are the land and an industrial property located at Changan, Dongguan) at a consideration of approximately RMB101.6 million (equivalent to approximately HK\$118.1 million) in cash. Details of the transaction were set out in the announcement and circular of the Company dated 21 April 2015 and 13 May 2015 respectively.

Save as disclosed herein, during the three years ended 31 March 2014, 2015 and 2016, the Remaining Group did not acquire or dispose of any material subsidiary or associate company or make any material investments not in the ordinary and usual course of business of the Remaining Group.

Employees and remuneration policies

The Remaining Group had 252, 159 and 173 employees for the three years ended 31 March 2014, 2015 and 2016, respectively. The staff cost (including the directors' emoluments) of the Remaining Group for the three years ended 31 March 2014, 2015 and 2016 was HK\$47 million, HK\$43 million and HK\$48 million, respectively.

The Remaining Group recognized the importance of retaining high caliber and competent staff and continued to provide appropriate remuneration packages to employees with reference to prevailing market conditions and individual performance.

Charges on group assets

As at 31 March 2014, 2015 and 2016, the Remaining Group had pledged its assets including investment properties, properties for sale and bank deposits with an aggregate carrying value of HK\$203 million, HK\$561 million and HK\$849 million, respectively to secure banking and financial guarantee facilities granted to subsidiaries of the Remaining Group.

Future plans for material capital assets

During the three years ended 31 March 2016, future plans for material capital assets of the Remaining Group included the development of the Xiamen project into a 100-rooms hotel and 30 villas. The Remaining Group financed and intended to finance these future plans from internal resources and bank borrowings of the Remaining Group.

Gearing ratio

The gearing ratio was calculated as a percentage of bank borrowings over net asset value attributable to equity holders of the Remaining Group. As at 31 March 2014, 2015 and 2016, the gearing ratio of the Remaining Group was 18%, 27% and 33%, respectively.

Exposure to fluctuations in exchange rates and related hedges

The Remaining Group conducted its property business operations in the PRC, with the income and the major cost items being denominated in Renminbi. Therefore, it is expected that any fluctuation of Renminbi's exchange rate would not have material effect on the operations of the Remaining Group. However, as the Remaining Group's consolidated financial statements are presented in Hong Kong dollar, the Remaining Group's financial position is subject to exchange exposure to Renminbi. The Remaining Group did not have any related hedges for the three years ended 31 March 2014, 2015 and 2016. The Remaining Group would closely monitor this risk exposure from time to time.

Contingent liabilities

As at 31 March 2014, 2015 and 2016, the Remaining Group had provided guarantees amounted to HK\$594 million, HK\$795 million and HK\$1,080 million, respectively to banks for mortgage loans made by the banks to the purchasers of properties sold by the Remaining Group in the PRC.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**Introduction**

The unaudited pro forma financial information (the “Unaudited Pro Forma Financial Information”) presented below is prepared to illustrate (a) the financial position of the Remaining Group as if the Disposal had been completed on 31 March 2016; and (b) the results and cash flows of the Remaining Group for the year ended 31 March 2016 as if the Disposal had been completed on 1 April 2015. This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Remaining Group as at 31 March 2016 or at any future date had the Disposal been completed on 31 March 2016 or the results and cash flows of the Remaining Group for the year ended 31 March 2016 or for any future period had the Disposal been completed on 1 April 2015.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated balance sheet of the Group as at 31 March 2016, the audited consolidated statement of comprehensive income and the audited consolidated cash flow statement of the Group for the year ended 31 March 2016 extracted from the audited consolidated financial statements of the Group for the year ended 31 March 2016 as set out in the 2016 annual report of the Company, and the Financial Information of the Target Group after giving effect to the pro forma adjustments described in the notes to the Unaudited Pro Forma Financial Information and is prepared in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Listing Rules.

1. Unaudited Pro Forma Consolidated Balance Sheet of the Remaining Group

	The Group as at 31 March 2016 <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments		The Remaining Group as at 31 March 2016 <i>HK\$'000</i>
		<i>HK\$'000</i> <i>Note 3</i>	<i>HK\$'000</i> <i>Note 5</i>	
Non-current assets				
Property, plant and equipment	69,981	—	—	69,981
Investment properties	539,103	(90,640)	—	448,463
Land use right	1,562	—	—	1,562
Properties for/under development	145,769	—	—	145,769
Associated companies	21,721	—	—	21,721
Joint venture	282,554	—	—	282,554
Available-for-sale financial assets	167,924	—	—	167,924
Loans and receivables	<u>12,051</u>	<u>—</u>	<u>—</u>	<u>12,051</u>
	<u>1,240,665</u>	<u>(90,640)</u>	<u>—</u>	<u>1,150,025</u>
Current assets				
Properties for sale	1,779,398	(392,597)	—	1,386,801
Inventories	47,586	—	—	47,586
Debtors and prepayments	276,478	(1,660)	96,015	370,833
Financial assets at fair value through profit or loss	226,253	—	—	226,253
Pledged bank balances	40,173	—	—	40,173
Cash and bank balances	<u>565,494</u>	<u>(7,110)</u>	<u>1,515,385</u>	<u>2,073,769</u>
	<u>2,935,382</u>	<u>(401,367)</u>	<u>1,611,400</u>	<u>4,145,415</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	The Group as at 31 March 2016 HK\$'000 Note 1	Pro forma adjustments		The Remaining Group as at 31 March 2016 HK\$'000
		<i>HK\$'000 Note 3</i>	<i>HK\$'000 Note 5</i>	
Current liabilities				
Creditors and accruals	144,413	(39,436)	—	104,977
Sales deposits received	363,709	—	—	363,709
Current portion of long-term bank borrowings	406,671	—	—	406,671
Taxation payable	<u>276,131</u>	<u>(99,932)</u>	<u>96,015</u>	<u>272,214</u>
	<u>1,190,924</u>	<u>(139,368)</u>	<u>96,015</u>	<u>1,147,571</u>
Net current assets	<u>1,744,458</u>	<u>(261,999)</u>	<u>1,515,385</u>	<u>2,997,844</u>
Total assets less current liabilities	<u>2,985,123</u>	<u>(352,639)</u>	<u>1,515,385</u>	<u>4,147,869</u>
Non-current liabilities				
Long-term bank borrowings	302,002	—	—	302,002
Deferred taxation liabilities	161,729	(67,839)	—	93,890
Loans and payables with non-controlling interests	<u>12,524</u>	<u>—</u>	<u>—</u>	<u>12,524</u>
	<u>476,255</u>	<u>(67,839)</u>	<u>—</u>	<u>408,416</u>
Net assets	<u><u>2,508,868</u></u>	<u><u>(284,800)</u></u>	<u><u>1,515,385</u></u>	<u><u>3,739,453</u></u>
Representing:				
Equity				
Share capital	81,057	—	—	81,057
Reserves	<u>2,428,425</u>	<u>(284,800)</u>	<u>1,515,385</u>	<u>3,659,010</u>
Shareholders' funds	2,509,482	(284,800)	1,515,385	3,740,067
Non-controlling interests	<u>(614)</u>	<u>—</u>	<u>—</u>	<u>(614)</u>
Total equity	<u><u>2,508,868</u></u>	<u><u>(284,800)</u></u>	<u><u>1,515,385</u></u>	<u><u>3,739,453</u></u>

2. Unaudited Pro Forma Consolidated Statement of Comprehensive Income of the Remaining Group

	The Group			The
	for the			Remaining
	year ended			Group
	31 March			for the
	2016	Pro forma adjustments		year ended
	HK\$'000	HK\$'000	HK\$'000	31 March
	Note 2	Note 4	Note 6	2016
				HK\$'000
Revenues	470,018	(7,884)	—	462,134
Cost of sales	<u>(278,659)</u>	<u>7,194</u>	<u>—</u>	<u>(271,465)</u>
Gross profit	191,359	(690)	—	190,669
Other income and net gain	77,956	(7)	1,358,595	1,436,544
Selling and marketing expenses	(28,990)	—	—	(28,990)
Administrative and other operating expenses	(141,972)	13,583	—	(128,389)
Change in fair value of investment properties	<u>72,062</u>	<u>(4,186)</u>	<u>—</u>	<u>67,876</u>
Operating profit	170,415	8,700	1,358,595	1,537,710
Finance costs	(15,712)	—	—	(15,712)
Share of results of associated companies	(1,818)	—	—	(1,818)
Share of result of a joint venture	<u>64,320</u>	<u>—</u>	<u>—</u>	<u>64,320</u>
Profit before taxation	217,205	8,700	1,358,595	1,584,500
Taxation	<u>(129,126)</u>	<u>1,046</u>	<u>(96,015)</u>	<u>(224,095)</u>
Profit for the year	<u>88,079</u>	<u>9,746</u>	<u>1,262,580</u>	<u>1,360,405</u>
Other comprehensive income:				
Items that may be reclassified subsequently to profit and loss:				
Net exchange differences	(65,724)	(4,717)	—	(70,441)
Realization of exchange reserve upon disposal of subsidiaries	—	—	(7,740)	(7,740)
Change in fair value of available-for-sale financial assets	<u>(60,190)</u>	<u>—</u>	<u>—</u>	<u>(60,190)</u>
Other comprehensive loss for the year	<u>(125,914)</u>	<u>(4,717)</u>	<u>(7,740)</u>	<u>(138,371)</u>
Total comprehensive (loss)/income for the year	<u><u>(37,835)</u></u>	<u><u>5,029</u></u>	<u><u>1,254,840</u></u>	<u><u>1,222,034</u></u>

3. Unaudited Pro Forma Consolidated Cash Flow Statement of the Remaining Group

	The Group			The
	for the			Remaining
	year ended			Group for
	31 March			the year
	2016	Pro forma adjustments		ended
	HK\$'000	HK\$'000	HK\$'000	31 March
	Note 2	Note 4	Note 7	2016
				HK\$'000
Cash flows from operating activities				
Operating profit	170,415	8,700	—	179,115
Interest income from bank deposits	(9,535)	—	—	(9,535)
Dividend income from available-for-sale financial assets	(8,640)	—	—	(8,640)
Write-back of provision for indemnity	(58,546)	—	—	(58,546)
Fair value gain on transfer of properties from properties for sale to investment properties	(2,741)	—	—	(2,741)
Net gain on disposal of property, plant and equipment	(484)	—	—	(484)
Change in fair value of investment properties	(72,062)	4,186	—	(67,876)
Amortization of land use right	32	—	—	32
Depreciation	11,581	—	—	11,581
Provision for impairment of properties for sale	2,263	—	—	2,263
Provision for impairment of inventories	521	—	—	521
Provision for impairment of trade debtors	235	—	—	235
	<u>33,039</u>	<u>12,886</u>	<u>—</u>	<u>45,925</u>
Operating profit before working capital changes				

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	The Group			The
	for the			Remaining
	year ended			Group for
	31 March			the year
	2016			ended
	Pro forma adjustments			31 March
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note 2</i>	<i>Note 4</i>	<i>Note 7</i>	
Operating profit before working capital changes	33,039	12,886	—	45,925
Increase in properties for/under development and properties for sale	(108,497)	16,543	—	(91,954)
Increase in inventories	(207)	—	—	(207)
Decrease in debtors and prepayments	13,839	914	—	14,753
Increase in financial assets at fair value through profit or loss	(202,475)	—	—	(202,475)
Decrease in creditors and accruals	(2,837)	—	—	(2,837)
Increase in sales deposits received	307,290	—	—	307,290
	<u>40,152</u>	<u>30,343</u>	<u>—</u>	<u>70,495</u>
Cash from operations	40,152	30,343	—	70,495
Interest paid	(25,604)	—	—	(25,604)
Tax paid	(172,922)	—	—	(172,922)
	<u>(158,374)</u>	<u>30,343</u>	<u>—</u>	<u>(128,031)</u>
Net cash used in operating activities				
Cash flows from investing activities				
Interest income received	9,910	—	—	9,910
Dividend income received from available-for-sale financial assets	8,640	—	—	8,640
Purchase of property, plant and equipment	(1,213)	—	—	(1,213)
Additions to investment properties	(176,840)	5,463	—	(171,377)
Proceeds from disposal of property, plant and equipment	1,987	—	—	1,987
Acquisition of an associated company	(1)	—	—	(1)
Increase in loan to an associated company	(15,962)	—	—	(15,962)
Decrease in pledged bank balances	96	—	—	96
Net proceed from disposal of subsidiaries, net of cash disposed of	—	(1,070)	1,515,385	1,514,315
	<u>(173,383)</u>	<u>4,393</u>	<u>1,515,385</u>	<u>1,346,395</u>
Net cash (used in)/from investing activities				

	The Group for the year ended 31 March 2016 <i>HK\$'000</i> <i>Note 2</i>	Pro forma adjustments <i>HK\$'000</i> <i>HK\$'000</i> <i>Note 4</i> <i>Note 7</i>		The Remaining Group for the year ended 31 March 2016 <i>HK\$'000</i>
Cash flows from financing activities				
New bank borrowings	202,192	—	—	202,192
Repayment of bank borrowings	(106,042)	—	—	(106,042)
Dividends paid to shareholders	(58,422)	—	—	(58,422)
Loans from non-controlling interests	<u>2,266</u>	<u>—</u>	<u>—</u>	<u>2,266</u>
Net cash from financing activities	<u>39,994</u>	<u>—</u>	<u>—</u>	<u>39,994</u>
Net (decrease)/increase in cash and cash equivalents	(291,763)	34,736	1,515,385	1,258,358
Cash and cash equivalents at the beginning of the year	871,107	—	—	871,107
Exchange difference on cash and cash equivalents	<u>(13,850)</u>	<u>(14)</u>	<u>—</u>	<u>(13,864)</u>
Cash and cash equivalents at the end of the year	<u><u>565,494</u></u>	<u><u>34,722</u></u>	<u><u>1,515,385</u></u>	<u><u>2,115,601</u></u>

Notes:

- The amounts are extracted from the audited consolidated balance sheet of the Group as at 31 March 2016 as set out in the annual report of the Group for the year ended 31 March 2016.
- The amounts are extracted from the audited consolidated statement of comprehensive income and the audited consolidated cash flow statement of the Group for the year ended 31 March 2016 as set out in the annual report of the Group for the year ended 31 March 2016.
- These adjustments represent the exclusion of assets and liabilities of the Target Group to be disposed of as at 31 March 2016 assuming the Disposal was completed on 31 March 2016. The amounts have been extracted from the financial information of the Target Group as at 31 March 2016 as set forth in Appendix II of this circular (except for the amount due to the immediate holding company which has been eliminated in the audited consolidated balance sheet of the Group as at 31 March 2016), excluding the assets and liabilities of the Target Group which are retained by the Remaining Group.

A reconciliation is shown below:

	Target Group in Appendix II HK\$'000	Assets and liabilities retained HK\$'000 (note a)	Other Payables and Tax Liabilities subsequent to 31 March 2016 adjusted to the Consideration HK\$'000	Assets and liabilities to be disposed of HK\$'000 (notes b, c, d)
Non-current assets				
Property, plant and equipment	10,586	(10,586)	—	—
Investment properties	90,640	—	—	90,640
Land use right	1,562	(1,562)	—	—
	<u>102,788</u>	<u>(12,148)</u>	<u>—</u>	<u>90,640</u>
Current assets				
Properties for sale	547,418	(176,949)	22,128	392,597
Debtors and prepayments	28,649	(26,989)	—	1,660
Pledged bank balances	173	(173)	—	—
Cash and bank balances	189,656	(182,546)	—	7,110
	<u>765,896</u>	<u>(386,657)</u>	<u>22,128</u>	<u>401,367</u>
Current liabilities				
Creditors and accruals	34,104	(474)	5,806	39,436
Sales deposits received	350,478	(350,478)	—	—
Current portion of long-term bank borrowings containing a repayment on demand clause	149,887	(149,887)	—	—
Taxation payable	37,692	—	62,240	99,932
	<u>572,161</u>	<u>(500,839)</u>	<u>68,046</u>	<u>139,368</u>
Non-current liabilities				
Deferred taxation liabilities	75,114	(7,275)	—	67,839
	<u>221,409</u>	<u>109,309</u>	<u>(45,918)</u>	<u>284,800</u>

Notes:

- (a) These assets and liabilities are in relation to Phase I, Phase II and Phase III of the Project (including the Retained Assets and the Presold Properties) which will be retained by the Remaining Group. The bank borrowings were fully repaid by the Target Group in May 2016.
- (b) For “Investment properties” and “Properties for sale”, the amounts mainly represent the Project Site and the Inventory of the Target Group to be disposed of, including those construction costs incurred by the Remaining Group subsequent to 31 March 2016 relating to the Project Site and the Inventory. For “Deferred taxation liabilities”, the amount represents the deferred tax mainly arising from the date of acquisition of the Project.
- (c) The amount represents the Regulated Fund which will be released upon handover of Presold Properties to buyers.
- (d) For “Creditors and accruals”, the amount represents Other Payables which are in relation to Phase I, Phase II and Phase III of the Project, mainly including the construction costs and selling expenses.

For “Taxation payable”, the amount represents Tax Liabilities from the sales of the properties of Phase I, Phase II and Phase III of the Project and the transfer of the Retained Assets to the Remaining Group.

According to the SP Agreement, the amounts of Other Payables and Tax Liabilities have been adjusted to the Consideration at the SP Agreement Date and shall be further revised upon the Completion Date.

4. These adjustments represent the exclusion of the results and cash flows of the Target Group to be disposed of for the year ended 31 March 2016 assuming the Disposal was completed on 1 April 2015. The amounts have been extracted from the financial information of the Target Group for the year ended 31 March 2016 as set forth in Appendix II of this circular (except for the change in amount due to the immediate holding company in cash flows which has been eliminated in the audited consolidated balance sheet of the Group), excluding the results and cash flows arising from the assets and liabilities of the Target Group which are retained by the Remaining Group.

A reconciliation is shown below:

	Target Group in Appendix II <i>HK\$'000</i>	Profit and loss arising from assets and liabilities retained <i>HK\$'000</i> <i>(Note)</i>	Profit and loss to be disposed of <i>HK\$'000</i>
Revenues	170,845	(162,961)	7,884
Cost of sales	<u>(120,171)</u>	<u>112,977</u>	<u>(7,194)</u>
Gross profit	50,674	(49,984)	690
Other income and net gain	483	(476)	7
Selling and marketing expenses	(11,566)	11,566	—
Administrative and other operating expenses	(18,824)	5,241	(13,583)
Change in fair value of investment properties	<u>4,186</u>	<u>—</u>	<u>4,186</u>
Operating profit	24,953	(33,653)	(8,700)
Finance costs	<u>(12,154)</u>	<u>12,154</u>	<u>—</u>
Profit before taxation	12,799	(21,499)	(8,700)
Taxation	<u>(24,936)</u>	<u>23,890</u>	<u>(1,046)</u>
Loss for the year	<u>(12,137)</u>	<u>2,391</u>	<u>(9,746)</u>
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Net exchange differences	<u>4,717</u>	<u>—</u>	<u>4,717</u>
Other comprehensive income for the year	<u>4,717</u>	<u>—</u>	<u>4,717</u>
Total comprehensive loss for the year	<u><u>(7,420)</u></u>	<u><u>2,391</u></u>	<u><u>(5,029)</u></u>

Note: These profit and loss items were transacted during the year ended 31 March 2016 and were derived from Phase I, Phase II and Phase III of the Project which are belonged to the Remaining Group.

	Target Group in Appendix II <i>HK\$'000</i>	Cash flows arising from assets and liabilities retained <i>HK\$'000</i>	Cash flows to be disposed of <i>HK\$'000</i>
Cash flows from operating activities			
Operating profit	24,953	(33,653)	(8,700)
Interest income from bank deposits	(286)	286	—
Change in fair value of investment properties	(4,186)	—	(4,186)
Amortization of land use right	32	(32)	—
Depreciation	403	(403)	—
	<u>20,916</u>	<u>(33,802)</u>	<u>(12,886)</u>
Operating profit before working capital changes	20,916	(33,802)	(12,886)
Increase in properties for sale	(40,357)	23,814	(16,543)
Increase in debtors and prepayments	(19,678)	18,764	(914)
Decrease in creditors and accruals	(8,804)	8,804	—
Increase in sales deposits received	351,313	(351,313)	—
	<u>303,390</u>	<u>(333,733)</u>	<u>(30,343)</u>
Cash from operations	303,390	(333,733)	(30,343)
Interest paid	(12,107)	12,107	—
Tax paid	(15,008)	15,008	—
	<u>276,275</u>	<u>(306,618)</u>	<u>(30,343)</u>
Net cash from operating activities	276,275	(306,618)	(30,343)
Cash flows from investing activities			
Interest income received	286	(286)	—
Purchase of property, plant and equipment	(121)	121	—
Additions to investment properties	(5,463)	—	(5,463)
Decrease in pledged bank balances	96	(96)	—
Cash and bank balances disposed of	—	1,070	1,070
	<u>(5,202)</u>	<u>809</u>	<u>(4,393)</u>
Net cash used in investing activities	(5,202)	809	(4,393)
Cash flows from financing activities			
Repayment of bank borrowings	(30,455)	30,455	—
	<u>(30,455)</u>	<u>30,455</u>	<u>—</u>
Net cash used in financing activities	(30,455)	30,455	—
Net increase in cash and cash equivalents			
	240,618	(275,354)	(34,736)
Cash and cash equivalents at the beginning of the year	21,936	(21,936)	—
Exchange difference on cash and cash equivalents	(3,651)	3,665	14
	<u>258,903</u>	<u>(293,625)</u>	<u>(34,722)</u>
Cash and cash equivalents at the end of the year	258,903	(293,625)	(34,722)

5. These adjustments assume the Consideration is satisfied in cash in the amount as shown below, as if the Disposal had been completed on 31 March 2016:

	<i>HK\$'000</i>
Consideration (RMB1,330.4 million)	1,545,966
Less: Estimated expenses directly attributable to the Disposal	<u>(30,581)</u>
Estimated cash flow from the Disposal	<u><u>1,515,385</u></u>
Less: Regulated Fund disposed of as mentioned in Note 3 above	<u>(7,110)</u>
Net cash proceeds from the Disposal	<u><u>1,508,275</u></u>

It is assumed that there is no Adjustment to the Consideration as mentioned under the sub-section headed "The SP Agreement – 4. Consideration and Adjustment" of the letter from the Board in this circular. The actual amount of gain on the Disposal recorded in "Retained Earnings" can only be determined at Completion. Consideration receivable of approximately HK\$96,015,000 is recorded in "Debtors and prepayments", which represents the estimated tax amount of approximately HK\$96,015,000 for the Disposal pursuant to the Public Notice No. 7 Tax in which the Purchaser shall be responsible for the settlement according to the terms of the SP Agreement. This estimated tax amount is based on the Consideration, taken into account the estimated amount of the adjusted assets and liabilities of the Target Group at Completion. The actual outcome of the tax amount can only be determined after Completion and tax clearance from the respective tax authorities.

6. These adjustments represent the estimated gain on the Disposal of the Target Group assuming the Disposal had taken place on 1 April 2015:

	<i>HK\$'000</i>
Consideration (RMB1,330.4 million)	1,545,966
Less: Estimated expenses directly attributable to the Disposal	<u>(30,581)</u>
	1,515,385
Add: Realization of exchange reserve upon disposal of the Target Group as at 1 April 2015	7,740
Less: Net value of assets and liabilities of the Target Group (excluding the Retained Assets and the Presold Properties) to be disposed of as at 1 April 2015 plus "Other Payables and Tax Liabilities subsequent to 31 March 2016 adjusted to the Consideration" as mentioned in Note 3 above	<u>(260,545)</u>
Add: Consideration receivable as mentioned in Note 5 above	<u>96,015</u>
Estimated gain on the Disposal before taxation	1,358,595
Less: Public Notice No. 7 Tax	<u>(96,015)</u>
Estimated gain on the Disposal after taxation	<u><u>1,262,580</u></u>
Other comprehensive income:	
Items that may be reclassified subsequently to profit and loss:	
Net exchange differences	<u>(7,740)</u>
Other comprehensive loss for the year	<u>(7,740)</u>
Total comprehensive income for the year	<u><u>1,254,840</u></u>

It is assumed that there is no Adjustment to the Consideration as mentioned under the sub-section headed “The SP Agreement – 4. Consideration and Adjustment” of the letter from the Board in this circular. The actual amount of gain on the Disposal can only be determined at Completion.

7. These adjustments represent the estimated cash flow from the Disposal of the Target Group assuming the Disposal had taken place on 1 April 2015:

	<i>HK\$'000</i>
Consideration (RMB1,330.4 million)	1,545,966
Less: Estimated expenses directly attributable to the Disposal	<u>(30,581)</u>
Estimated cash flow from the Disposal	<u><u>1,515,385</u></u>

It is assumed that there is no Adjustment to the Consideration as mentioned under the sub-section headed “The SP Agreement – 4. Consideration and Adjustment” of the letter from the Board in this circular. The actual amount of cash flow from the Disposal can only be determined at Completion.

8. In the unaudited pro forma consolidated balance sheet, apart from Notes 3 and 5 above relating to the Disposal, no other adjustment (including the rights issue of the Company announced on 17 March 2016 and completed on 3 May 2016 (the “Rights Issue”) and the pro forma adjustment of “Other Payables and Tax Liabilities subsequent to 31 March 2016 adjusted to the Consideration” as mentioned in Note 3 above) has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2016. The Rights Issue was issued on the basis of one rights share for every two ordinary shares at a subscription price of HK\$0.28 per rights share and the net proceeds was approximately HK\$222,500,000. Details of the Rights Issue were set out in the prospectus of the Company dated 7 April 2016.
9. In the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated cash flow statement, apart from Notes 4, 6 and 7 above relating to the Disposal, no other adjustment (including the Rights Issue) has been made to reflect any trading results or other transactions of the Group entered into subsequent to 1 April 2015.
10. The above adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of comprehensive income of the Remaining Group and the unaudited pro forma consolidated cash flow statement of the Remaining Group.
11. The financial information relating to the years ended 31 March 2015 and 2016 of the Target Group included in this Unaudited Pro Forma Financial Information does not constitute the Target Group’s statutory annual financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

As the Target Company is not a public company, it is not required to deliver its financial statements to the Registrar of Companies as required by section 622 and Part 3 of Schedule 6 to the Hong Kong Companies Ordinance (Cap. 622).

The Target Group’s auditor has reported on the stand alone financial statements of the Target Company for the years ended 31 March 2015 and 2016. No consolidated financial statements have been prepared as the Target Company has satisfied the exemption requirement set out in section 379(3)(a) of the Hong Kong Companies Ordinance (Cap. 622) for the years ended 31 March 2015 and 2016. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622) (or under their equivalent requirements found in section 141 of the predecessor Hong Kong Companies Ordinance (Cap. 32)).

**B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE
REMAINING GROUP**

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF CHUANG'S CHINA INVESTMENTS LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Chuang's China Investments Limited (the "Company") and its subsidiaries (collectively the "Group") excluding Chuang's Development (Dong Guan) Limited and its subsidiaries (the "Disposal Group") (collectively the "Remaining Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated balance sheet as at 31 March 2016, the unaudited pro forma consolidated statement of comprehensive income for the year ended 31 March 2016, the unaudited pro forma consolidated cash flow statement for the year ended 31 March 2016, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 31 to 43 of the Company's circular dated 26 September 2016, in connection with the proposed disposal of the Disposal Group (the "Transaction") by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 31 to 43.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Transaction on the Group's financial position as at 31 March 2016 and the Group's financial performance and cash flows for the year ended 31 March 2016 as if the Transaction had taken place at 31 March 2016 and 1 April 2015 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the directors from the Group's consolidated financial statements for the year ended 31 March 2016, on which an audit report has been published.

Directors' Responsibility 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 ("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 behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 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 Accountant's 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 accountant plans and performs 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 a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity 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 Transaction at 31 March 2016 for the Group's financial position and 1 April 2015 for the Group's financial performance and cash flows 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 accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, 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 by the directors of the Company 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 September 2016

The following is the text of a letter, summary of valuations and valuation certificate prepared for the purpose of incorporation in this circular received from DTZ Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of value of the Project Site and the Inventory as at 31 August 2016.



16/F
Jardine House
1 Connaught Place
Central
Hong Kong

26 September 2016

The Directors
Chuang's China Investments Limited
25th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

Dear Sirs,

INSTRUCTIONS, PURPOSE & VALUATION DATE

In accordance with your instructions for us to value certain property interests of Chuang's China Investments Limited (the "Company") and its subsidiaries (together referred to as the "Group") in the People's Republic of China (the "PRC") (as more particularly described in the attached valuation certificate), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such property interests as at 31 August 2016 ("valuation date").

DEFINITION OF MARKET VALUE

Our valuations of each of the properties represent its Market Value. The definition of Market Value adopted in The HKIS Valuation Standards 2012 Edition follows the International Valuation Standards published by the International Valuation Standards Council ("IVSC"). Market Value is defined by the IVSC 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".

VALUATION BASIS AND ASSUMPTIONS

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of Hong Kong Limited, The Codes on Takeovers and Mergers issued by the Securities and Futures Commission and The HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors.

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

In the course of our valuation of the properties in the PRC, we have assumed that, unless otherwise stated, the transferable land use rights of the properties for their respective terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Group regarding the title to each of the properties and the interests of the Group in the properties. In valuing the properties, we have assumed that the Group has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted.

In respect of the properties situated in the PRC, the status of titles and grant of major certificates, approvals and licenses, in accordance with the information provided by the Group are set out in the notes of the respective valuation certificate.

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

METHOD OF VALUATION

In valuing properties in Group I, which are held by the Group for sale in the PRC, we have used the direct comparison approach assuming sale of these properties in its existing state with the benefit of vacant possession by making reference to comparables sales transactions as available in the relevant market.

In valuing properties in Group II and III, which are held by the Group under development and for future development respectively in the PRC, we have valued them on the basis that they will be developed and completed in accordance with the latest development proposals provided to us by the Group (if any). We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been or will be obtained without onerous conditions or delays. We have also assumed that the design and construction of the developments are in compliance with the local planning and other relevant regulations and have been or will be approved by the relevant authorities. In arriving at our valuations, we have adopted the direct comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account

the expended construction costs as well as the costs that will be expended to complete the developments. The “market value when completed” represents our opinion of the aggregate selling prices of the development assuming that it were completed as at the valuation date.

SOURCES OF INFORMATION

We have been provided by the Group with extracts of documents in relation to the titles to the properties. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us.

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group and its legal adviser, JunZeJun Law Offices, regarding the title to each of the properties and the interests of the Group in the properties. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, site and floor areas, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificate are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

TITLE INVESTIGATION

We have been provided with extracts of documents relating to the titles of the properties in the PRC, but no searches have been made in respect of the properties. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Group regarding the Group’s interests in the PRC properties.

SITE INSPECTION

Mr. Lizheng Li of our Shenzhen office has inspected the exterior and, whenever possible, the interior of the properties in August 2016. However, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the area shown on the documents handed to us are correct.

Mr. Lizheng Li, our Shenzhen office valuer, has 5 years' experience in property valuation in the PRC.

CURRENCY

Unless otherwise stated, all sums stated in our valuations are in Renminbi ("RMB"), the official currency of the PRC.

We enclose herewith a summary of our valuations and our valuation certificate.

Yours faithfully,

For and on behalf of
DTZ Cushman & Wakefield Limited
Andrew K. F. Chan
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, M.H.K.I.S.
Regional Director, Valuation & Advisory Services, Greater China

Note: Mr. Andrew K. F. Chan is a Registered Professional Surveyor who has over 29 years of experience in the valuation of properties in the PRC.

SUMMARY OF VALUATIONS

No.	Property	Market value in existing state as at 31 August 2016 (RMB)	Interest attributable to the Group (%)	Market value in existing state attributable to the Group as at 31 August 2016 (RMB)
Group I — Property held by the Group for sale in the PRC				
1	The unsold residential units, retail units and car parking spaces of Phases II and III of Chuang's New City, Xiexi Village, Shatian Town, Dongguan, Guangdong Province, the PRC	RMB124,000,000	100	RMB124,000,000
Total of Group I		<u>RMB124,000,000</u>		<u>RMB124,000,000</u>
Group II — Property held by the Group under development in the PRC				
2	The under construction development known as Shop Nos. 1, 2, 3 and car parking spaces of Phase III of Chuang's New City, Xiexi Village, Shatian Town, Dongguan, Guangdong Province, the PRC (<i>note</i>)	RMB33,000,000	100	RMB33,000,000
Total of Group II		<u>RMB33,000,000</u>		<u>RMB33,000,000</u>
<i>Note:</i> The market value of this property when completed is estimated at approximately RMB58,000,000 as at 31 August 2016 (100% interest attributable to the Group: RMB58,000,000).				
Group III — Property held by the Group for future development in the PRC				
3	The development site for the proposed Phase IV of Chuang's New City, Xiexi Village, Shatian Town, Dongguan, Guangdong Province, the PRC	RMB936,000,000	100	RMB936,000,000
Total of Group III		<u>RMB936,000,000</u>		<u>RMB936,000,000</u>

VALUATION CERTIFICATE

Group I — Property held by the Group for sale in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2016										
1. The unsold residential units, retail units and car parking spaces of Phases II and III of Chuang's New City, Xiexi Village, Shatian Town, Dongguan, Guangdong Province, the PRC	<p>Chuang's New City is a residential/commercial development erected on 6 parcels of land with a total site area of 256,246.20 sq. m. and is developed in four phases, Phase I (known as Shatian Garden), Phase II (known as Gold Coast), Phase III (known as Imperial Garden) and Phase IV (for future development).</p> <p>Phase I (Shatian Garden) comprises 16 residential buildings completed in 1996.</p> <p>Phase II (Gold Coast) comprises 11 residential buildings and a club house completed in the period between 2006 and 2010.</p> <p>Phase III (Imperial Garden) comprises Blocks 1 to 8 (completed in 2010), Blocks 9 to 14 (completed in 2014) and Blocks 29 to 31 (under construction).</p> <p>Phase IV comprises the development site for future development comprising Blocks 15 to 28 and Blocks 32 to 55.</p> <p>The property comprises the unsold residential units, retail units and car parking spaces in Phase II and III of Chuang's New City and has a total gross floor area with details as follows:</p>	<p>As at the valuation date, 10 retail units with a total gross floor area of 1,788.57 sq. m. were leased and were subject to various tenancies with a total prevailing monthly rent of approximately RMB36,176. The latest expiry date of tenancies was 31 March 2022. The remaining portion of the property was vacant.</p>	<p>RMB124,000,000</p> <p>(100% interest attributable to the Group: RMB124,000,000)</p>										
	<table border="1"> <thead> <tr> <th data-bbox="523 1417 571 1442">Use</th> <th data-bbox="762 1417 911 1523">Approximate gross floor area (sq. m.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="523 1549 639 1574">Residential</td> <td data-bbox="815 1549 911 1574">5,974.83</td> </tr> <tr> <td data-bbox="523 1576 587 1602">Retail</td> <td data-bbox="815 1576 911 1602">6,666.67</td> </tr> <tr> <td data-bbox="523 1604 722 1657">Car parking spaces (286 lots)</td> <td data-bbox="804 1630 911 1657"><u>14,332.18</u></td> </tr> <tr> <td data-bbox="523 1689 587 1715">Total</td> <td data-bbox="804 1689 911 1715"><u><u>26,973.68</u></u></td> </tr> </tbody> </table>	Use	Approximate gross floor area (sq. m.)	Residential	5,974.83	Retail	6,666.67	Car parking spaces (286 lots)	<u>14,332.18</u>	Total	<u><u>26,973.68</u></u>		
Use	Approximate gross floor area (sq. m.)												
Residential	5,974.83												
Retail	6,666.67												
Car parking spaces (286 lots)	<u>14,332.18</u>												
Total	<u><u>26,973.68</u></u>												
	<p>The property is held with land use rights for commercial and residential uses (see Note 1).</p>												

Notes:

- (1) According to six State-owned Land Use Rights Certificates all issued by the People's Government of Guangdong Province, the land use rights of various portions of the Project known as Chuang's New City, comprising a total site area of 256,246.20 sq. m., have been vested in 香港安盈投資有限公司 (On Profit Investment Limited) ("On Profit"), 香港銀昌投資有限公司 (Silver Chase Investment Limited) ("Silver Chase") and 香港銀龍投資有限公司 (Silver Dragon Investment Limited) ("Silver Dragon") respectively with details as follows:

Certificate No.	Date of issue	Land user	Use	Expiry date of land use term	Site area (sq. m.)
(1992) 25-1	2 August 2010	On Profit	Commercial/ Residential	11 November 2063	93,312.80
(1992) 25-2	2 August 2010	On Profit	Commercial/ Residential	11 November 2063	10,135.20
(1992) 26-2	23 June 2010	Silver Chase	Commercial/ Residential	11 November 2063	5,642.30
(1992) 26-3	17 June 2010	Silver Chase	Commercial/ Residential	11 November 2063	33,844.70
(1993) 269	1 April 2016	Silver Dragon	Commercial/ Residential	11 November 2063	106,945.90
(2016) 50	1 April 2016	Silver Dragon	Residential Commercial	11 November 2063 8 March 2056	6,365.30
Total:					<u>256,246.20</u>

On Profit, Silver Chase and Silver Dragon are wholly-owned subsidiaries of Chuang's Development (Dong Guan) Limited (the Target Company).

- (2) According to one hundred Real Estate Title Certificates, the title of the retail portion of the property, comprising a total gross floor area of 6,666.67 sq. m., has been vested in On Profit, Silver Chase, Silver Dragon and 東莞莊士房地產開發有限公司 (Dongguan Chuang's Real Estate Development Company Limited), a wholly-owned subsidiary of Chuang's Development (Dong Guan) Limited, with a land use term due to expire on 11 November 2063 for commercial use.
- (3) According to six Completion and Acceptance Certificates for Construction Works all issued by Dongguan Housing and Town Construction Bureau, the subject development with a total gross floor area of approximately 168,377.77 sq. m. has been completed with details as follows:

Certificate No.	Date of issue	Construction project	Gross floor area (sq. m.)
441000201007190001	19 July 2010	Blocks 1 to 3 and Shopping Centre, Imperial Garden	36,348.14
441000201007190002	19 July 2010	Blocks 4 to 8 and Shopping Centre, Imperial Garden	61,171.63
441900200607240004	28 July 2006	Blocks 1 and 2 of Gold Coast	19,316.00
441900200607240002	28 July 2006	Blocks 3 and 5 of Gold Coast	17,856.00
441900200607240003	28 July 2006	Blocks 6 and 7 of Gold Coast	13,796.00
441900200607240001	28 July 2006	Blocks 8 to 12 of Gold Coast	19,890.00
Total:			<u>168,377.77</u>

- (4) According to three Hong Kong Business Registration Certificates, On Profit, Silver Chase and Silver Dragon were registered with particulars as follows:

Name of Business/ Corporation	Certificate No.	Status	Date of commencement	Date of Expiry
On Profit Investment Limited (香港安盈投資有限公司)	15398143-000-11-15-9	Body Corporate	5 November 2015	4 November 2016
Silver Chase Investment Limited (香港銀昌投資有限公司)	15398169-000-12-15-0	Body Corporate	17 December 2015	16 December 2016
Silver Dragon Investment Limited (香港銀龍投資有限公司)	15398185-000-12-15-6	Body Corporate	17 December 2015	16 December 2016

- (5) We have been provided with a legal opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:
- (i) The State-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (ii) On Profit, Silver Chase and Silver Dragon are the sole legal land users of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
 - (iii) On Profit, Silver Chase and Silver Dragon have the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property; and
 - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.
- (6) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

State-owned Land Use Rights Certificates	Yes
Real Estate Title Certificates	Yes
Completion and Acceptance Certificates for Construction Works	Yes
Hong Kong Business Registration Certificates	Yes

VALUATION CERTIFICATE

Group II — Property held by the Group under development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2016								
2.	<p>The under construction development known as Shop Nos. 1, 2, 3 and car parking spaces of Phase III of Chuang's New City, Xiexi Village, Shatian Town, Dongguan, Guangdong Province, the PRC</p> <p>Chuang's New City is a residential/commercial development erected on 6 parcels of land with a total site area of 256,246.20 sq. m. and is developed in four phases, Phase I (known as Shatian Garden), Phase II (known as Gold Coast), Phase III (known as Imperial Garden) and Phase IV (for future development).</p> <p>Phase I (Shatian Garden) comprises 16 residential buildings completed in 1996.</p> <p>Phase II (Gold Coast) comprises 11 residential buildings and a club house completed in the period between 2006 and 2010.</p> <p>Phase III (Imperial Garden) comprises Blocks 1 to 8 (completed in 2010), Blocks 9 to 14 (completed in 2014) and Blocks 29 to 31 (under construction).</p> <p>Phase IV comprises the development site for future development comprising Blocks 15 to 28 and Blocks 32 to 55.</p> <p>The property comprises the under construction development known as Shop Nos. 1, 2, 3 and car parking spaces of Phase III of Chuang's New City and has a gross floor area with details as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Use</th> <th>Approximate gross floor area (sq. m.)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>5,173.17</td> </tr> <tr> <td>Car parking spaces (159 lots)</td> <td><u>5,003.90</u></td> </tr> <tr> <td>Total</td> <td><u>10,177.07</u></td> </tr> </tbody> </table>	Use	Approximate gross floor area (sq. m.)	Retail	5,173.17	Car parking spaces (159 lots)	<u>5,003.90</u>	Total	<u>10,177.07</u>	As at the valuation date, the property was under construction.	<p>RMB33,000,000</p> <p>(100% interest attributable to the Group: RMB33,000,000)</p> <p>(The market value of the property when completed is estimated at approximately RMB58,000,000 as at 31 August 2016 (100% interest attributable to the Group: RMB58,000,000).)</p>
Use	Approximate gross floor area (sq. m.)										
Retail	5,173.17										
Car parking spaces (159 lots)	<u>5,003.90</u>										
Total	<u>10,177.07</u>										
	<p>As advised by the Group, the property is scheduled to be completed in the fourth quarter of 2016.</p> <p>The property is held with land use rights for commercial and residential uses (see Note 1).</p>										

Notes:

- (1) According to six State-owned Land Use Rights Certificates all issued by the People's Government of Guangdong Province, the land use rights of various portions of the Project known as Chuang's New City, comprising a total site area of 256,246.20 sq. m., have been vested in 香港安盈投資有限公司 (On Profit Investment Limited) ("On Profit"), 香港銀昌投資有限公司 (Silver Chase Investment Limited) ("Silver Chase") and 香港銀龍投資有限公司 (Silver Dragon Investment Limited) ("Silver Dragon") respectively with details as follows:

Certificate No.	Date of issue	Land user	Use	Expiry date of land use term	Site area (sq. m.)
(1992) 25-1	2 August 2010	On Profit	Commercial/ Residential	11 November 2063	93,312.80
(1992) 25-2	2 August 2010	On Profit	Commercial/ Residential	11 November 2063	10,135.20
(1992) 26-2	23 June 2010	Silver Chase	Commercial/ Residential	11 November 2063	5,642.30
(1992) 26-3	17 June 2010	Silver Chase	Commercial/ Residential	11 November 2063	33,844.70
(1993) 269	1 April 2016	Silver Dragon	Commercial/ Residential	11 November 2063	106,945.90
(2016) 50	1 April 2016	Silver Dragon	Residential Commercial	11 November 2063 8 March 2056	6,365.30
Total:					<u>256,246.20</u>

On Profit, Silver Chase and Silver Dragon are wholly-owned subsidiaries of Chuang's Development (Dong Guan) Limited (the Target Company).

- (2) According to Permit for Construction Use of Land No. 2007-12-10021 issued by Dongguan Urban Construction and Planning Bureau on 18 May 2012, the construction site of the property with a total site area of 181,984 sq. m. is in compliance with the urban planning requirements.
- (3) According to four Planning Permits for Construction Works issued by Urban and Rural Planning Bureau of Dongguan, the construction works of the development with gross floor areas of 52,850.36 sq.m. are in compliance with the construction works requirements and have been approved with details as follows:

Certificate No.	Date of issue	Project Name	Construction scale (sq. m.)
2012-12 1060	17 September 2012	Shop 2 of Imperial Garden	2,434.54
2012-12 1061	17 September 2012	Shop 3 of Imperial Garden	781.47
2014-12-1048	18 February 2014	Blocks 29, 30 and 31 and Shop 1 of Imperial Garden	44,630.45
2015-12-1017	22 December 2015	Basement of Blocks 29, 30 and 31 of Imperial Garden	5,003.90
Total			<u>52,850.36</u>

- (4) According to four Permits for Commencement of Construction Works all issued by Dongguan City Construction Bureau, the construction works of the subject property with a gross floor area of approximately 52,850.36 sq. m., are in compliance with the requirements for works commencement and have been permitted with details shown as follows:

Permit No.	Date of issue	Project Name	Gross floor area (sq. m.)
4419002013060900401	9 June 2013	Shop 2 of Imperial Garden	2,434.54
4419002013060900501	9 June 2013	Shop 3 of Imperial Garden	781.47
441900201502130301	13 February 2015	Blocks 29, 30 and 31 and Shop 1 of Imperial Garden	44,630.45
441900201603282701	28 March 2016	Basement of Blocks 29, 30 and 31 of Imperial Garden	5,003.90
Total:			<u>52,850.36</u>

- (5) As advised by the Group, the total expended construction cost for the property as at the valuation date was approximately RMB20,578,000 whilst the outstanding construction cost for completion of the property as at the valuation date was approximately RMB14,488,000. We have taken into account such amounts in our valuation.
- (6) The market value of the property when completed is estimated approximately at RMB58,000,000.
- (7) According to three Hong Kong Business Registration Certificates, On Profit, Silver Chase and Silver Dragon were registered with particulars as follows:

Name of Business/Corporation	Certificate No.	Status	Date of commencement	Date of Expiry
On Profit Investment Limited (香港安盈投資有限公司)	15398143-000-11-15-9	Body Corporate	5 November 2015	4 November 2016
Silver Chase Investment Limited (香港銀昌投資有限公司)	15398169-000-12-15-0	Body Corporate	17 December 2015	16 December 2016
Silver Dragon Investment Limited (香港銀龍投資有限公司)	15398185-000-12-15-6	Body Corporate	17 December 2015	16 December 2016

- (8) We have been provided with a legal opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:
- (i) The State-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
- (ii) On Profit, Silver Chase and Silver Dragon are the sole legal land users of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
- (iii) On Profit, Silver Chase and Silver Dragon have the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property; and
- (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.

- (9) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

State-owned Land Use Rights Certificates	Yes
Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Hong Kong Business Registration Certificates	Yes

VALUATION CERTIFICATE

Group III — Property held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2016
3. Development site for the proposed Phase IV of Chuang's New City, Xiexi Village, Shatian Town, Dongguan, Guangdong Province, the PRC	<p>Chuang's New City is a residential/commercial development erected on 6 parcels of land with a total site area of 256,246.20 sq. m. and is developed in four phases, Phase I (known as Shatian Garden), Phase II (known as Gold Coast), Phase III (known as Imperial Garden) and Phase IV (for future development).</p> <p>Phase I (Shatian Garden) comprises 16 residential buildings completed in 1996.</p> <p>Phase II (Gold Coast) comprises 11 residential buildings and a club house completed in the period between 2006 and 2010.</p> <p>Phase III (Imperial Garden) comprises Blocks 1 to 8 (completed in 2010), Blocks 9 to 14 (completed in 2014) and Blocks 29 to 31 (under construction).</p> <p>Phase IV comprises the development site for future development comprising Blocks 15 to 28 and Blocks 32 to 55.</p> <p>As advised by the Group, the property comprises the development site for the proposed Phase IV of Chuang's New City and has a planned gross floor area of 323,492.86 sq. m..</p> <p>The property is held with land use rights for commercial and residential uses (see Note 1).</p>	As at the valuation date, portion of the property was undergoing excavation work and the remaining portion of the property was vacant land.	RMB936,000,000 (100% interest attributable to the Group: RMB936,000,000)

Notes:

- (1) According to six State-owned Land Use Rights Certificates all issued by the People's Government of Guangdong Province, the land use rights of various portions of the Project known as Chuang's New City, comprising a total site area of 256,246.20 sq. m., have been vested in 香港安盈投資有限公司 (On Profit Investment Limited) ("On Profit"), 香港銀昌投資有限公司 (Silver Chase Investment Limited) ("Silver Chase") and 香港銀龍投資有限公司 (Silver Dragon Investment Limited) ("Silver Dragon") respectively with details as follows:

Certificate No.	Date of issue	Land user	Use	Expiry date of land use term	Site area (sq. m.)
(1992) 25-1	2 August 2010	On Profit	Commercial/ Residential	11 November 2063	93,312.80
(1992) 25-2	2 August 2010	On Profit	Commercial/ Residential	11 November 2063	10,135.20
(1992) 26-2	23 June 2010	Silver Chase	Commercial/ Residential	11 November 2063	5,642.30
(1992) 26-3	17 June 2010	Silver Chase	Commercial/ Residential	11 November 2063	33,844.70
(1993) 269	1 April 2016	Silver Dragon	Commercial/ Residential	11 November 2063	106,945.90
(2016) 50	1 April 2016	Silver Dragon	Residential Commercial	11 November 2063 8 March 2056	6,365.30
Total:					<u>256,246.20</u>

On Profit, Silver Chase and Silver Dragon are wholly-owned subsidiaries of Chuang's Development (Dong Guan) Limited (the Target Company).

- (2) According to Permit for Construction Use of Land No. 2007-12-10021 issued by Dongguan Urban Construction and Planning Bureau on 18 May 2012, the construction site of the property with a total site area of 181,984 sq. m. is in compliance with the urban planning requirements.
- (3) According to three Planning Permits for Construction Works issued by Urban and Rural Planning Bureau of Dongguan on 22 December 2015, the construction works of the development with gross floor areas of 84,844.84 sq. m. are in compliance with the construction works requirements and have been approved with details as follows:

Certificate No.	Date of issue	Project Name	Construction scale (sq. m.)
2015-12-1013	22 December 2015	Blocks 15 and 16	27,255.26
2015-12-1014	22 December 2015	Blocks 17 and 18	27,606.41
2015-12-1015	22 December 2015	Blocks 19 and 20	29,983.17
Total			<u>84,844.84</u>

- (4) According to three Permits for Commencement of Construction Works all issued by Dongguan City Construction Bureau, the construction works of the subject property with a gross floor area of approximately 84,844.84 sq. m., are in compliance with the requirements for works commencement and have been permitted with details shown as follows:

Permit No.	Date of issue	Project Name	Gross floor area (sq. m.)
441900201603282301	28 March 2016	Blocks 15 and 16	27,255.26
441900201603282401	28 March 2016	Blocks 17 and 18	27,606.41
441900201603282501	28 March 2016	Blocks 19 and 20	29,983.17
Total:			<u>84,844.84</u>

- (5) As advised by the Group, the total expended construction cost for the property as at the valuation date was approximately RMB29,982,000. We have taken into account such amounts in our valuation.
- (6) According to three Hong Kong Business Registration Certificates, On Profit, Silver Chase and Silver Dragon were registered with particulars as follows:

Name of Business/ Corporation	Certificate No.	Status	Date of commencement	Date of Expiry
On Profit Investment Limited (香港安盈投資有限公司)	15398143-000-11-15-9	Body Corporate	5 November 2015	4 November 2016
Silver Chase Investment Limited (香港銀昌投資有限公司)	15398169-000-12-15-0	Body Corporate	17 December 2015	16 December 2016
Silver Dragon Investment Limited (香港銀龍投資有 限公司)	15398185-000-12-15-6	Body Corporate	17 December 2015	16 December 2016

- (7) We have been provided with a legal opinion on the property prepared by the Group's PRC legal adviser, which contains, inter alia, the following information:
- (i) The State-owned Land Use Rights Certificates of the property are valid, legal and enforceable under the PRC laws;
 - (ii) On Profit, Silver Chase and Silver Dragon are the sole legal land users of the property and has obtained the relevant certificates and approval from the government in respect of the construction of the property;
 - (iii) On Profit, Silver Chase and Silver Dragon have the rights to freely lease, transfer, mortgage and dispose of the land use rights and building ownership of the property; and
 - (iv) All land premium stated in the Grant Contract of State-owned Land Use Rights have been paid and settled.

- (8) The status of title and grant of major approvals and licences in accordance with the information provided by the Group are as follows:

State-owned Land Use Rights Certificates	Yes
Permit for Construction Use of Land	Yes
Planning Permits for Construction Works	Yes
Permits for Commencement of Construction Works	Yes
Hong Kong Business Registration Certificates	Yes

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

Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to 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 (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (“Model Code”) to be notified to the Company and the Stock Exchange, were as follows:

(i) *Interests in the Company*

Name of Director	Nature of interest	Number of Shares	Percentage of shareholding
Mr. Sunny Pang Chun Kit	Beneficial owner	930,000	0.04%

(ii) *Interests in Chuang’s Consortium*

Name of Director	Nature of interest	Number of shares	Percentage of shareholding
Mr. Albert Chuang Ka Pun (“Mr. Albert Chuang”)	Beneficial owner	1,299,678	0.08%

(iii) Interests in Midas International Holdings Limited (“Midas”)

Name of Director	Nature of interest	Number of shares	Percentage of shareholding
Mr. Abraham Shek Lai Him	Beneficial owner	30,000	0.0009%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Interests of substantial Shareholders in the Company and interests of substantial shareholders in other member of the Group

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, 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 or had any option in respect of such capital:

(i) Long positions in the Shares

Name	Nature of interest	Number of Shares	Percentage of shareholding
Profit Stability (<i>Note 1</i>)	Beneficial owner	1,361,804,923	56.00
Chuang’s Consortium (<i>Note 1</i>)	Interest in controlled corporation	1,361,804,923	56.00
Evergain Holdings Limited (<i>Note 1</i>)	Interest in controlled corporation	1,361,804,923	56.00
Mr. Alan Chuang Shaw Swee (<i>Note 1</i>) (“Mr. Alan Chuang”)	Interest in controlled corporation	1,361,804,923	56.00
Mrs. Chong Ho Pik Yu (<i>Note 2</i>)	Interest of spouse	1,361,804,923	56.00

Notes:

- Interests in the 1,361,804,923 Shares were beneficially owned by Profit Stability as at the Latest Practicable Date. Profit Stability is a wholly-owned subsidiary of Chuang’s Consortium. Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of Chuang’s Consortium through Evergain

Holdings Limited (“Evergain”), a company beneficially owned by Mr. Alan Chuang. Mr. Albert Chuang is a director of Profit Stability, Chuang’s Consortium and Evergain. Mr. Chong Ka Fung is a director of Chuang’s Consortium and Evergain.

2. Such interest arose by attribution through her spouse, Mr. Alan Chuang.

(ii) *Long positions in other members of the Group*

Name of non-wholly-owned subsidiary of the Company	Name of substantial shareholder	Approximate percentage held by the substantial shareholder in the subsidiary of the Company
Chuang’s Innovation Industries Limited	Decu Company	30%
Gold Capital Profits Limited	Mr. Fan Xiao Han	25%
Noble Century Investment Limited	Mr. Fan Xiao Han	20%
Hunan Han Ye Real Estate Development Company Limited [#] (湖南漢業房地產開發有限公司)	Miss Zhou Chang Chun	10%
Dragon Rich Investments Limited	Lawdion Investments Limited	15%
Xiamen Mingjia Binhai Resort Company Limited [#] (廈門銘家濱海度假村有限公司)	Xiamen Tourism Group Limited [#] (廈門旅遊集團有限公司)	30%

[#] *English translation only*

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, 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 or had any option in respect of such capital.

Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group as a whole.

Interests in assets

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2016, being the date to which the latest published audited financial statements of the Company 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.

Service contracts

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company with a year without payment of any compensation (other than statutory compensation)).

Interests in other competing business

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that Mr. Albert Chuang and Mr. Chong Ka Fung hold directorships in Chuang's Consortium and certain private companies which are engaged in the businesses of property development in Hong Kong and securities investment and trading.

Save as disclosed, as at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

3. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

4. EXPERTS AND CONSENTS

The qualification of the experts who have given their opinions in this circular is as follows:

Name	Qualifications
PricewaterhouseCoopers	Certified Public Accountants
DTZ Cushman & Wakefield Limited	Professional surveyor and valuer
JunZeJun Law Offices ("JunZeJun")	PRC legal adviser

As at the Latest Practicable Date, each of PricewaterhouseCoopers, DTZ Cushman & Wakefield Limited and JunZeJun had no shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group and had no direct or indirect interest in any assets

acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2016, being the date to which the latest published audited financial statements of the Company were made up.

Each of PricewaterhouseCoopers, DTZ Cushman & Wakefield Limited and JunZeJun has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or report and/or references to its name, in the form and context in which they respectively appear.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the sale and purchase agreement dated 21 April 2015 entered into between the Vendor, the Company, Dah Hua Printing Press Company Limited (“Dah Hua”), a wholly-owned subsidiary of Midas, and Midas for the acquisition by the Vendor from Dah Hua the entire registered capital of Dongguan Midas Printing Company Limited[#] (東莞勤達印刷有限公司) for a consideration of approximately RMB101.6 million, details of which were set out in the circular of the Company dated 13 May 2015;
- (b) the underwriting agreement dated 17 March 2016 (the “Underwriting Agreement”) entered into between the Company and Kingston Securities Limited in relation to the issue of the 810,571,772 new shares of the Company by way of rights issue to the Shareholders for subscription on the terms set out in the Underwriting Agreement and the prospectus document of the Company dated 7 April 2016; and
- (c) the SP Agreement.

English translation only

6. GENERAL

- (a) The secretary of the Company is Ms. Lee Wai Ching who is a fellow of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business in Hong Kong is situated at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong.
- (c) The Company’s branch share registrar and transfer office in Hong Kong is Tricor Progressive Limited, located at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

- (d) In the event of any inconsistency, the English texts of the circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong during normal business hours (Saturdays and public holidays excepted) up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the years ended 31 March 2014, 2015 and 2016;
- (c) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix IV to this circular;
- (d) the valuation report prepared by DTZ Cushman & Wakefield Limited in relation to the Project Site and the Inventory, the text of which is set out in Appendix V to this circular;
- (e) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (f) the written consents referred to in the paragraph headed “Experts and Consents” in this appendix; and
- (g) this circular.



Chuang's China Investments Limited

(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of the abovementioned company (the “**Company**”) will be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Thursday, 13 October 2016 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution:

ORDINARY RESOLUTION

“THAT:

- (A) the conditional sale and purchase agreement dated 25 August 2016 (“**SP Agreement**”) entered into amongst Chuang's China Realty Limited (“**Vendor**”), View Glory Enterprises Limited (“**Purchaser**”), the Company (as guarantor of the Vendor) and Angel View International Limited (as guarantor of the Purchaser) (a copy of which has been produced to the meeting and marked “**A**” and initialled by the chairman of the meeting for the purpose of identification) in relation to, among other matters, the sale and purchase by the Vendor to the Purchaser of the entire issued share capital of Chuang's Development (Dong Guan) Limited (“**Target Company**”) and the entire amount of shareholder's loan owing by the Target Company to the Vendor as at the date of completion at an aggregate consideration of approximately RMB1,330.4 million (equivalent to approximately HK\$1,545.9 million) (subject to adjustment in accordance with the terms and conditions of the SP Agreement) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (B) any one director of the Company (“**Director**”), or any two Directors if the affixation of the common seal is required, be and is/are hereby authorised to execute such all other documents, to do all other acts and things deemed by her/him/them to be incidental to, ancillary to or in connection with the matters contemplated in and completion of the SP Agreement, and take such action as may in the opinion of the Director(s) be necessary, desirable or expedient to implement and give effect to the SP Agreement and any other transactions contemplated under the SP Agreement, and to agree to such variation, amendments or waiver or matters relating thereto

NOTICE OF SGM

(including any variation, amendments or waiver of such documents or any terms thereof) as is/are, in the opinion of such Director(s) or the duly authorised committee of the board of Directors, in the interest of the Company and its shareholders as a whole.”

By order of the Board
Chuang's China Investments Limited
Lee Wai Ching
Company Secretary

Hong Kong, 26 September 2016

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
25th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a form of proxy in the prescribed form, together with any power of attorney or other authority (if any), under which it is signed or a certified copy thereof must be deposited at the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and deposit of the proxy form will not preclude a member from attending and voting at the meeting or adjourned meeting if he so wish and, in such case, the form of proxy previously submitted shall be deemed to be revoked.
3. For joint registered holders of any shares of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if the shareholder was solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.