

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 Consortium International Limited**, you should at once hand this circular accompanying with 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 transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

**VERY SUBSTANTIAL DISPOSAL
PROPOSED DISPOSAL OF A PROPERTY HOLDING COMPANY
AND
NOTICE OF SPECIAL GENERAL MEETING**

Financial adviser to the Company



A letter from the Board is set out on pages 7 to 20 of this circular.

A notice convening the SGM to be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Monday, 8 August 2016 at 11:00 a.m. is set out on pages 66 to 67 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 Standard Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, 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 meeting should you so wish and, in such case, the form of proxy previously submitted shall be deemed to be revoked.

20 July 2016

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	7
Appendix I — Financial information of the Group	21
Appendix II — Financial information of the Target Company	23
Appendix III — Management discussion and analysis on the Remaining Chuang's Consortium Group	29
Appendix IV — Unaudited pro forma financial information of the Remaining Group	33
Appendix V — Valuation of the Property	47
Appendix VI — Valuation of the PRC Property	54
Appendix VII — General information	59
Notice of SGM	66

DEFINITIONS

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

“Acquisition”	the acquisition of the PRC Property by the PRC Company under the PRC Property Transfer as contemplated under the SP Agreement
“Acquisition Consideration”	the amount of HK\$420,000,000
“Adjustment”	has the meaning ascribed to it under the sub-section headed “The SP Agreement – Adjustment to the Disposal Consideration” in this circular
“Announcement”	the announcement dated 15 June 2016 issued by the Company in relation to the Proposed Transactions
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Audited Completion Accounts”	the Draft Completion Accounts as audited in accordance with the terms of the SP Agreement and in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, which shall be completed and delivered to the Vendor and the Purchaser within 45 days after the Completion Date
“Board”	the board of Directors
“Buildings Ordinance”	Buildings Ordinance (Cap. 123 of the Laws of Hong Kong)
“Business Day”	a day, other than a Saturday, Sunday, public holiday and a day on which a typhoon signal 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 The Hongkong and Shanghai Banking Corporation Limited is open for general banking business in Hong Kong and the PRC throughout its normal business hours
“close associate”	has the meaning ascribed to it under the Listing Rules
“Company” or “Vendor’s Guarantor”	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
“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

DEFINITIONS

“Conditions Precedent”	the conditions precedent to the Completion as set out in the sub-section headed “The SP Agreement – Conditions Precedent” in this circular and each a “Condition Precedent”
“Defects Liability Period”	the 1-month period after the Purchaser being notified by the Vendor of the completion of certain fittings and finishes to be incorporated into the Property by the Vendor, during which the Purchaser or its authorised representatives may inspect the conditions and workmanship of the aforesaid fittings and finishes and, if applicable, issue the Schedule of Defects
“Deposit”	collectively, the Initial Deposit and the Further Deposit
“Development”	the development of the Property into a single house in accordance with the general building plans and specifications approved by the Building Authority (as defined in the Buildings Ordinance) in Hong Kong from time to time
“Director(s)”	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
“Disposal Consideration”	the aggregate consideration payable by the Purchaser for the Sale Shares and the Sale Loan under the SP Agreement (as adjusted in accordance with the terms and conditions of the SP Agreement)
“Draft Completion Accounts”	the draft unaudited accounts of the Target Company for the period from the latest financial year ended date prior to the Completion Date and ending on the Completion Date to be prepared in accordance with the terms of the SP Agreement
“Early Payment”	has the meaning ascribed to it under the sub-section headed “The SP Agreement – Late Payment” in this circular
“Existing PRC Tenant”	has the meaning ascribed to it under the section headed “Information on the PRC Property” in this circular
“External Financing”	has the meaning ascribed to it under the sub-section headed “The SP Agreement – Undertakings from the Purchaser in respect of the PRC Property” in this circular

DEFINITIONS

“First Part Payment”	the sum of HK\$105,000,000 which shall be paid by the Purchaser to the Vendor as part payment of the Disposal Consideration pursuant to the SP Agreement
“Further Deposit”	the sum of HK\$110,000,000 which shall be paid by the Purchaser to the Vendor as deposit pursuant to the SP Agreement
“Group”	the Company and its subsidiaries
“Guaranteed Monthly Rentals”	has the meaning ascribed to it under the sub-section headed “The SP Agreement – Undertakings from the Purchaser in respect of the PRC Property” in this circular
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Consideration”	has the meaning ascribed to it under the sub-section headed “The SP Agreement – Consideration” in this circular
“Initial Deposit”	the sum of HK\$100,000,000, which has been paid by the Purchaser to the Vendor as deposit pursuant to the SP Agreement
“Late Payment”	has the meaning ascribed to it under the sub-section headed “The SP Agreement – Late Payment” in this circular
“Latest Practicable Date”	15 July 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
“NAV”	the adjusted net asset value of the Target Company, being the amount of all assets of the Target Company (but excluding the Property) (which, for the purpose of the calculation of the Adjustment, the aggregated amount shall not be more than HK\$2,000,000) less the amount of all liabilities and provisions of the Target Company, actual or contingent, accrued or deferred (but excluding the Sale Loan, bank indebtedness (if any), deferred tax liability (if any) and all outstanding sums payable by the Vendor under construction and internal decoration contracts relating to the Development)

DEFINITIONS

“Part Payments”	collectively, the First Part Payment, the Second Part Payment and the Third Part Payment
“PRC”	the People’s Republic of China
“PRC Company”	a company to be established in the PRC with limited liability and will be indirectly wholly-owned by the Company, being the nominee of the Vendor as the transferee of the PRC Property under the Acquisition as contemplated under the SP Agreement
“PRC Owner”	深圳祥祺房地產開發有限公司 (Shenzhen Cheung Kei Real Estate Development Company Limited*), a sino-foreign joint venture enterprise established in the PRC with limited liability
“PRC Property”	深圳市羅湖區文錦北路1118號鵬大廈1-3層 (1st to 3rd Floor, Peng Building, No. 1118 Wenjin North Road, Luohu District, Shenzhen*), which was owned by the PRC Owner as at the Latest Practicable Date
“PRC Property Transfer”	has the meaning ascribed to it under the sub-section headed “The SP Agreement – Consideration” in this circular
“PRC Property Transfer Date”	has the meaning ascribed to it under the sub-section headed “The SP Agreement – Consideration” in this circular
“PRC Property Transfer Registration”	registration of the PRC Property Transfer by the relevant authorities in PRC (as evidenced by a new Real Estate Ownership Certificate which reflects the PRC Company as the owner of the PRC Property)
“Property”	all that piece or parcel of land registered in the Land Registry as Rural Building Lot No. 723 together with the messuage(s) erection(s) and building(s) to be erected or constructed thereon (No. 15 Gough Hill Road, Hong Kong)
“Proposed Transactions”	collectively, the Disposal and the Acquisition
“Purchaser”	Chen Family Assets Management Company Limited, a company incorporated in the British Virgin Islands with limited liability, being the purchaser under the Disposal
“Purchaser’s Guarantor”	Mr. Chen Hong Tian, being the guarantor of the Purchaser under the SP Agreement

DEFINITIONS

“Re-Inspection Period(s)”	periods of each of 15 Business Days upon receipt of a notice by the Purchaser or its authorised representatives after completion of the rectification works of such defect or defective workmanship as set out in the Schedule of Defects or (as the case may be) in the Schedule(s) of Defective Rectification Works from the Vendor, during which the Purchaser or its authorised representatives may re-inspect the aforesaid rectification works and, if applicable, issue Schedule(s) of Defective Rectification Works
“Remaining Chuang’s Consortium Group”	the Group (other than the Target Company)
“Remaining Group”	the Group immediately after completion of the transactions contemplated under the SP Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	the entire amount of shareholder’s loan due from the Target Company to the Vendor at Completion
“Sale Shares”	the entire equity interests in the Target Company
“Schedule of Defects”	a schedule which may be given by the Purchaser in writing containing details of defect or defective workmanship of the fittings and finishes to be incorporated into the Property by the Vendor pursuant to the terms of the SP Agreement
“Schedule(s) of Defective Rectification Works”	schedule(s) which may be given by the Purchaser in writing containing details of defect or defective workmanship of rectification works done by the Vendor pursuant to the terms of the SP Agreement
“Second Part Payment”	the sum of HK\$315,000,000 which shall be paid by the Purchaser to the Vendor as part payment of the Disposal Consideration pursuant to the SP Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held 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\$0.25 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Shares
“SP Agreement”	the conditional sale and purchase agreement dated 9 June 2016 entered into amongst the Vendor, the Purchaser, the Company and the Purchaser’s Guarantor in relation to the Proposed Transactions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Chateau 15 Investments Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor
“Third Part Payment”	the sum of HK\$840,000,000 which shall be paid by the Purchaser to the Vendor as part payment of the Disposal Consideration pursuant to the SP Agreement
“Vendor”	Romantic Ltd, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, being the vendor under the Disposal
“sq. ft.”	square feet
“sq. m.”	square metres
“%”	per cent.

* *English translation only*

For the purpose of this circular, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.18. Such translation should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.

LETTER FROM THE BOARD



Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

Executive Directors:

Mr. Alan Chuang Shaw Swee (*Chairman*)
Mr. Albert Chuang Ka Pun (*Joint Managing Director*)
Mr. Chong Ka Fung (*Joint Managing Director*)
Mrs. Candy Kotewall Chuang Ka Wai
Mr. Wong Chung Wai
Mr. Chan Chun Man

Independent Non-Executive Directors:

Mr. Abraham Shek Lai Him *G.B.S., J.P.*
Mr. Fong Shing Kwong
Mr. Yau Chi Ming
Mr. David Chu Yu Lin, *S.B.S., 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

20 July 2016

To the Shareholders,

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
PROPOSED DISPOSAL OF A PROPERTY HOLDING COMPANY**

INTRODUCTION

The Board is pleased to announce that on 9 June 2016, the Vendor (an indirect 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 Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing the entire issued share capital of the Target Company, and the Sale Loan, at an aggregate consideration of HK\$2,100,000,000 (subject to adjustment). The Disposal Consideration will be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of the PRC Property to the PRC Company (as the Vendor's nominee) subject to the terms and conditions of the SP Agreement.

As the highest applicable percentage ratio for the Disposal under the Listing Rules is more than 75%, the Disposal constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements.

LETTER FROM THE BOARD

The purpose of this circular is to give you details of the Disposal 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

Date

9 June 2016

Parties

- (1) Romantic Ltd (as Vendor), an indirect wholly-owned subsidiary of the Company;
- (2) Chen Family Assets Management Company Limited (as Purchaser);
- (3) the Company (as Vendor's Guarantor); and
- (4) Mr. Chen Hong Tian (as Purchaser's Guarantor).

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is owned as to 50% by the Purchaser's Guarantor and as to 50% by Mrs. Chen Li Ni Yao, the spouse of the Purchaser's Guarantor. Prior to the date of the SP Agreement, Chuang's Credit Limited (an indirect wholly-owned subsidiary of the Company) has, in its ordinary and usual course of business, granted a loan in the principal amount of HK\$25 million to the Purchaser's Guarantor in November 2015, of which the entire principal amount and the accrued interest were fully repaid in December 2015. As at the Latest Practicable Date, a non wholly-owned subsidiary of the Company and a company controlled by the Purchaser's Guarantor were common shareholders of 深圳市同心投資基金股份公司 (Shenzhen Homocentric Investment Funds Co. Ltd.*), each owning approximately 3.4014% therein. Save as disclosed above, the Group does not have other prior business and/or other relationship with the Purchaser and any of its shareholders.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules) and the Purchaser is principally engaged in investment holding.

The Company and the Purchaser's Guarantor were respectively joined as a party to the SP Agreement to guarantee the performance and observance by the Vendor and by the Purchaser of all of their respective obligations and undertakings under the SP Agreement.

Subject matter of the Proposed Transactions

The Vendor has conditionally agreed to sell 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 amount owing by the Target Company to the Vendor as at Completion) to the Purchaser

LETTER FROM THE BOARD

free from encumbrances at the Disposal Consideration which shall be satisfied partially by cash and partially by the transfer of the PRC Property to the PRC Company (as the Vendor's nominee).

Consideration

The Disposal Consideration shall be an amount equal to HK\$2,100,000,000 (“**Initial Consideration**”), subject to adjustments as set out in the sub-section headed “The SP Agreement – Adjustment to the Disposal Consideration” below and shall be satisfied by the Purchaser in the following manner:

- (i) the Initial Deposit of HK\$100,000,000, being approximately 4.76% of the Initial Consideration, was paid by the Purchaser to the Vendor in cash upon signing of the SP Agreement;
- (ii) the Further Deposit of HK\$110,000,000, being approximately 5.24% of the Initial Consideration, shall be paid by the Purchaser to the Vendor in cash within 7 Business Days after the signing of the SP Agreement. As at the Latest Practicable Date, the Further Deposit had been received by the Vendor;
- (iii) the First Part Payment of HK\$105,000,000, being 5% of the Initial Consideration, shall be paid by the Purchaser to the Vendor in cash within 7 Business Days after the signing of the SP Agreement. As at the Latest Practicable Date, the First Part Payment had been received by the Vendor;
- (iv) the Second Part Payment of HK\$315,000,000, being 15% of the Initial Consideration, shall be paid by the Purchaser to the Vendor in cash within 7 Business Days after the Purchaser is being notified in writing by the Vendor of the issue of a certificate by the authorised person(s) (as defined in the Buildings Ordinance) confirming the completion of the topping-out and stone cladding of the Development;
- (v) the Third Part Payment of HK\$840,000,000, being 40% of the Initial Consideration, shall be satisfied by the Purchaser within 7 Business Days after the Purchaser is being notified in writing by the Vendor of the issue of the occupation permit of the Development by the Building Authority (as defined in the Buildings Ordinance) as follows:
 - (a) as to HK\$420,000,000 shall be paid by the Purchaser to the Vendor in cash; and
 - (b) as to the remaining HK\$420,000,000, subject to the satisfaction of certain conditions as set out in the SP Agreement (including the proof of good title to the PRC Property by the PRC Owner), the Purchaser shall procure the transfer and assignment of the PRC Property (together with the assignment of all rights, benefits, obligations and liabilities in respect of the PRC Property) from the PRC Owner to the PRC Company free from all encumbrances (“**PRC Property Transfer**”) as full settlement of the said HK\$420,000,000 and for the purpose of this paragraph, upon lodgement and submission of duly executed property

LETTER FROM THE BOARD

transfer agreement and application documents for the filing and registration in respect of the PRC Property Transfer with the relevant authorities in the PRC, the PRC Property Transfer shall be taken to be effective on the date of such lodgement and submission (“**PRC Property Transfer Date**”) and the Purchaser shall be deemed to have paid the aforesaid sum of HK\$420,000,000 to the Vendor and the Vendor shall be deemed to have received the same as part of the Third Part Payment,

and in the event that the Purchaser fails to procure the PRC Owner to prove a good title to the PRC Property before the PRC Property Transfer, the entire amount of the Third Part Payment shall be paid by the Purchaser to the Vendor in cash; and

- (vi) at Completion, the remaining balance of the Initial Consideration (as adjusted by the mechanism detailed in the sub-section headed “The SP agreement – Adjustment to the Disposal Consideration” below) shall be paid by the Purchaser to the Vendor in cash.

Currently, the Property is mortgaged to a financial institution for banking facilities granted to the Target Company. Pursuant to the terms of the SP Agreement, the Vendor will have to procure the repayment in full of the said banking facilities on or before Completion.

Furthermore, pursuant to the terms of the SP Agreement, the Vendor is responsible for financing the Target Company to pay all construction and internal decoration costs in relation to the Development. If at Completion, any of such construction and internal decoration costs remain unpaid, the Vendor will have to continue to advance loans to the Target Company after Completion in order to settle such costs. In such event, the Vendor has agreed, pursuant to the terms of the SP Agreement, to assign, upon demand by the Purchaser, such loans to the Purchaser at HK\$1.0 after Completion.

Based on the Vendor’s estimation as at the Latest Practicable Date, the total construction and internal decoration costs in respect of the Development will amount to approximately HK\$294 million. Set out below are the respective amounts of construction and internal decoration costs paid and the estimated amount outstanding thereof and in addition thereto as at 31 March 2016 and as at the Latest Practicable Date:

	Paid amount	Estimated outstanding and additional amount	Total
	<i>HK\$’ million</i>	<i>HK\$’ million</i>	<i>HK\$’ million</i>
As at 31 March 2016	83.0	211.0	294.0
As at the Latest Practicable Date	88.4	205.6	294.0

LETTER FROM THE BOARD

Currently, site formation and foundation works in respect of the Development are being carried out in the Property. Based on the Vendor's current estimation, the occupation permit of the Development is expected to be issued in the third quarter of 2017 which will be followed by internal decoration works to be carried out by the Vendor pursuant to the SP Agreement. It is expected that the internal decoration works will be completed and inspected by the Purchaser in the third quarter of 2018 whereby Completion is expected to take place. To allow room for flexibility, the SP Agreement does not have a long stop date for the Disposal.

The Disposal Consideration for the Disposal was arrived at after arm's length negotiation between the Vendor and the Purchaser taking into account the factors outlined above and the market value of the Property at completed state (i.e. the construction and internal decoration costs mentioned above have been taken into account) by reference to the market values of similar properties in nearby area. The Property was valued by Colliers International (Hong Kong) Limited, an independent valuer, as at 15 June 2016 at HK\$1,390 million at completed state. The Disposal Consideration of approximately HK\$2,100 million represents a premium of approximately 51% to the aforesaid valuation. The Group believes that the premium is attributable to a number of factors which include, inter alia, (i) the Property is located at the Peak which is a traditional prime location for luxurious residential properties; (ii) the Property has a site area of approximately 18,469 sq. ft., a house area of approximately 9,220 sq. ft. and a garden area (including a swimming pool) of approximately 14,611 sq. ft. which is considered to be relatively large when compared to most of the properties in nearby area; (iii) the Development is a single house development in a single lot which would create a better environment when compared to multiple houses development in a single lot; and (iv) the supply of similar properties in nearby area comparable to that of the Property is limited.

The Acquisition Consideration for the Acquisition was arrived at after arm's length negotiation between the Vendor and the Purchaser taking into account the market value of the PRC Property by reference to the market values of similar properties in nearby area, the preliminary market valuation of the PRC Property as appraised by the independent valuer engaged by the Company of HK\$420 million as at 31 May 2016 and the undertakings from the Purchaser as described in the sub-section headed "The SP Agreement – Undertakings from the Purchaser in respect of the PRC Property" below. The PRC Property is for commercial use and is currently being leased out. It is the current intention of the Group to hold the PRC Property for long-term investment purpose. Further details of the PRC Property are set out in the section headed "Information on the PRC Property" below.

Late Payment

In the event that any Part Payments is not paid by the respective date specified above when it falls due ("**Late Payment**"), the Purchaser shall pay the Vendor interest thereon at the rate equivalent to 130% of the best lending rate on Hong Kong Dollar loan per annum from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited accrued on daily basis and on the basis of a 365-day year as liquidated damages but not as penalty from the due date thereof until the date of actual payment thereof provided that:

LETTER FROM THE BOARD

- (i) if the Purchaser makes any other payment under the SP Agreement before the due date of such payment (“**Early Payment**”), the number of the days elapsed from and exclusive of the actual date of the Early Payment to the due date of the Early Payment multiplied by the amount of the Early Payment shall be taken as early payment credits which may be used by the Purchaser to set off against any late payment debits being the number of days elapsed from and exclusive of the due date of the Late Payment to the actual date of the Late Payment multiplied by the amount of Late Payment before calculating interest on the Late Payment; and
- (ii) any Late Payment together with all interests accrued thereon shall be fully paid by the Purchaser to the Vendor within 30 days of the original due date.

Adjustment to the Disposal Consideration

The Initial Consideration is subject to the following adjustment (“**Adjustment**”):

- (i) there shall be added to the Initial Consideration the amount (if any) by which the NAV as shown in the Draft Completion Accounts is greater than zero; or
- (ii) there shall be deducted from the Initial Consideration the amount (if any) by which the NAV as shown in the Draft Completion Accounts is less than zero.

The Vendor and the Purchaser have agreed that, pursuant to the terms of the SP Agreement, the Draft Completion Accounts will be audited by a firm of certified public accountants in Hong Kong. In the event that the NAV as calculated from the Audited Completion Accounts is different from that as calculated from the Draft Completion Accounts, there will be further adjustment (if any) to the Initial Consideration with similar adjustment mechanism as outlined above.

Based on the information currently available, the Adjustment (if any) is expected not to be material.

Conditions Precedent

Completion is conditional upon the following Conditions Precedent being satisfied and/or waived on or before Completion:

- (a) the due compliance and satisfaction of all requirements which the Vendor and/or the Company is/are required to comply with under the Listing Rules in connection with the Disposal and the transactions contemplated under the SP Agreement, including but not limited to (if required) the due obtaining of the approval by the Shareholders of the SP Agreement, the Disposal and the transactions contemplated under the SP Agreement in accordance with the Listing Rules;
- (b) the Target Company having a good title to the Property;
- (c) the Vendor being the sole beneficial owner of the Sale Shares free from encumbrance; and

LETTER FROM THE BOARD

- (d) the PRC Owner having a good title to the PRC Property immediately prior to the PRC Property Transfer and the PRC Property Transfer Registration having been completed.

The Vendor (i) will use all reasonable endeavours (so far as it lies within its powers) to procure the satisfaction of the Conditions Precedent set out in paragraphs (a), (b) and (c) above as soon as reasonably practicable and in any event by Completion; and (ii) undertakes to procure the majority shareholder of the Company to vote for the resolution to approve the transactions contemplated under the SP Agreement at the SGM.

The Purchaser will use all reasonable endeavours (so far as it lies within its powers) to procure the satisfaction of the Condition Precedent set out in paragraph (d) above as soon as reasonably practicable and in any event by Completion.

The Vendor may in its absolute discretion by notice in writing to the Purchaser at any time by Completion waive in writing the Condition Precedent set out in paragraph (d) above. The Purchaser may in its absolute discretion by notice in writing to the Vendor at any time by Completion waive in writing any of the Conditions Precedent set out in paragraphs (b) or (c) above. The Vendor and/or (as the case may be) the Purchaser will, as the Proposed Transactions proceed, exercise its right of waiver according to the then circumstances, and in the case of the Vendor, after taking into account the best interest of the Company and the Shareholders as a whole on the premises that such waiver will not affect the substance of the Disposal.

If the Conditions Precedent have not been satisfied and/or waived at or before Completion, the Purchaser shall be entitled to a return, without interest of the Deposit and the Part Payments (or any part thereof, as the case may be) and where the PRC Property Transfer has been completed, the Vendor shall procure the PRC Company to re-transfer and re-assign the PRC Property to the PRC Owner upon the signing of an agreement for cancellation to cancel the Disposal without any interest, costs or compensation whatsoever and neither party shall have any claim against the others except for antecedent breaches.

As at the Latest Practicable Date, none of the Conditions Precedent had been satisfied and/or waived.

Completion

Subject to the satisfaction and/or waiver of the conditions set out in the SP Agreement, Completion shall take place on either (i) a date falling within 7 Business Days from the expiration of Defects Liability Period wherein no Schedule of Defects has been received by the Vendor in accordance with the terms and conditions SP Agreement; or (as the case may be) (ii) (a) a date falling within 7 Business Days from the expiration of a Re-Inspection Period wherein no Schedule of Defective Rectification Works has been served on the Vendor or (b) within 22 Business Days after the Purchaser being notified by the Vendor in writing that all defects and defective workmanship raised by the Purchaser or its authorised representatives in the third round of the re-inspections have been rectified, whichever is earlier.

LETTER FROM THE BOARD

Pursuant to the SP Agreement, the Purchaser is entitled to a maximum of 4 rounds of re-inspections and it is bound to proceed to Completion notwithstanding any defect or defective workmanship is found after the fourth round of re-inspection and in case where Schedule of Defective Rectification Works is served by the Purchaser or its authorised representatives to the Vendor for such purpose, the Vendor undertakes to the Purchaser to rectify such defective rectification works at its own costs to the satisfaction of the Purchaser thereafter.

As disclosed above, the Property will be disposed of at completed state. Based on the Vendor's current estimation of time required for completing the Development, in the absence of unforeseeable circumstances, Completion is expected to take place in the third quarter of 2018.

Upon Completion, the Target Company will cease to be a subsidiary of the Company. There is no restriction which applies to the subsequent sale of the Sale Shares under the SP Agreement.

Termination

Default by the Vendor

If Completion does not take place as a result of a material default by the Vendor or if the Vendor fails to observe or comply with any of the terms and conditions of the SP Agreement in any material respect, the Purchaser shall be entitled to terminate the SP Agreement and in such case the Vendor shall (i) repay, without interest, within 7 Business Days following the termination thereof, the Deposit and Part Payments (or any part thereof) to the Purchaser; and (ii) where the PRC Property has been transferred and assigned to the PRC Company as partial payment of the Third Part Payment, procure the re-assignment or re-transfer of the PRC Property to the PRC Owner for the purpose of returning the relevant part of the Part Payments.

Upon the aforesaid repayment of the Deposit and Part Payments (if applicable) by the Vendor and the re-assignment or re-transfer of the PRC Property to the PRC Owner (if applicable), the SP Agreement shall terminate (save for the continuing provisions in relation to confidentiality and some miscellaneous provisions) without prejudice to other rights and remedies of the Purchaser. All costs and expenses (including all taxes arising therefrom) arising from and in connection with the re-assignment or re-transfer of the PRC Property from the PRC Company to the PRC Owner shall be borne by the PRC Company solely and absolutely.

Default by the Purchaser

If the Purchaser fails to pay any of the Deposit or Part Payments (except where the Late Payment together with all interests accrued thereon calculated in accordance with the subsection headed "The SP Agreement – Late Payment" above are fully paid by the Purchaser to the Vendor within 30 days of the original due date) or to observe or comply with any of the terms and conditions of the SP Agreement and on its part to be observed or complied with in any material respect or fail to complete the Disposal in accordance with the terms and conditions of the SP Agreement, the Vendor shall be entitled to terminate the SP Agreement (save for the continuing provisions in relation to confidentiality and some miscellaneous provisions). In such case, the Vendor shall be entitled to (i) forfeit the Deposit absolutely

LETTER FROM THE BOARD

without prejudice to any other rights and remedies of the Vendor; and (ii) retain all or any part of the Part Payments (including the PRC Property transferred and assigned to the PRC Company) as security for damages in excess of the Deposit forfeited which may be suffered by the Vendor as a result of the Purchaser's breach of the SP Agreement and the Vendor is entitled to realise, utilise and apply the Part Payments or any part thereof (including the PRC Property transferred and assigned to the PRC Company) in settlement or satisfaction of the damages suffered by the Vendor with any money and/or realised proceeds in excess of the damages suffered by the Vendor be refunded to the Purchaser without interest.

Pursuant to the terms of the SP Agreement, the Vendor is not required to provide any financial assistance to the Purchaser for payment of any part of the Disposal Consideration (including Late Payment). Should the Purchaser fail to pay any part of the Disposal Consideration (including Late Payment) on the respective due dates, it is not the current intention of the Group to finance the Purchaser of any of such payments.

Undertakings from the Purchaser in respect of the PRC Property

Rental Guarantee

Under the SP Agreement, the Purchaser and the Purchaser's Guarantor have undertaken and guaranteed to the Vendor and the PRC Company that the monthly rental arising from the PRC Property during a period of 36 months from the PRC Property Transfer Date shall not be less than HK\$1,800,000 or its RMB equivalent ("**Guaranteed Monthly Rentals**") and any shortfall between the Guaranteed Monthly Rentals and the monthly rental arising from the PRC Property actually received by the PRC Company shall be indemnified and payable by the Purchaser and the Purchaser's Guarantor to the PRC Company in cash at the end of each calendar month during the aforesaid rental guarantee period.

The Company will disclose whether the Guaranteed Monthly Rentals have been met in the final results announcement of the Company for the respective years during the rental guarantee period.

Vacant possession

The Purchaser has undertaken to (i) procure, upon request of the Vendor in its sole and absolute discretion, that all tenancy arrangements in respect of the PRC Property be terminated and all tenants, sub-tenants and occupiers of the PRC Property be evicted and vacant possession of the PRC Property be delivered to the Vendor and the PRC Company at the third anniversary of the PRC Property Transfer Date and all costs in connection therewith shall be borne by the Purchaser solely. and (ii) indemnify and keep indemnified the Vendor and/or the PRC Company against, inter alia, all claims, liabilities, losses or damages whatsoever suffered or incurred by the Vendor and/or the PRC Company as a result of its breach of undertaking and obligation to procure the aforesaid vacant possession of the PRC Property, including any loss of profits or rental incomes suffered by the Vendor and/or the PRC Company in respect of the PRC Property (being the market rentals less the actual rentals received) and any costs and expenses incurred by the Vendor in procuring vacant possession of the PRC Property.

LETTER FROM THE BOARD

In this respect, the Purchaser has indicated to the Vendor that after the PRC Property Transfer Date, the Purchaser will negotiate with the tenant of the PRC Property in good faith for the termination of the tenancy agreement by paying a compensation to the tenant.

Financing

The Purchaser undertakes that, at the Vendor's written request made within 6 months from Completion, the Purchaser shall use its best endeavour to procure the provision of a loan in the aggregate sum of not less than RMB150 million (equivalent to approximately HK\$177 million) to the Vendor or the PRC Company from financial institution(s) in the PRC ("**External Financing**"), provided that no security other than the mortgage of the PRC Property and the corporate guarantee from the Company (if required) shall be required for such financing and the loan will be for a term of 3 years and bearing interest not higher than 130% of the best lending rate of the People's Bank of China quoted on the date of the aforesaid written request by the Vendor. In the event that the Purchaser fails to procure any part of the External Financing, the Purchaser shall, upon further written request made by the Vendor within 7 months from Completion, provide to the Vendor or the PRC Company a loan in similar terms as the External Financing.

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Vendor. The Target Company is principally engaged in property investment. As at the Latest Practicable Date and at Completion, the Property was/will be the only major asset of the Target Company.

The Property is located at No. 15 Gough Hill Road, Hong Kong. The Property has a site area of approximately 18,469 sq. ft. and construction works are currently being carried out to develop the Property, in accordance with the latest approved building plans, into a single house with construction floor areas as follows: (i) house area of approximately 9,220 sq. ft., (ii) terrace area of approximately 766 sq. ft., (iii) roof area (including stairhood) of approximately 1,988 sq. ft., (iv) garden area (including open landscaped garden, open yard, swimming pool, landscaped slope and retaining wall) of approximately 14,611 sq. ft., (v) carpark area (including car parking space, driveway and footpath) of approximately 2,819 sq. ft., and (vi) plant room area (including plant rooms, water tanks, associated corridors and staircases) of approximately 8,604 sq. ft.. The Property is currently classified as investment properties in the consolidated financial statements of the Group. The valuation of the Property as appraised by Colliers International (Hong Kong) Limited, an independent valuer, as at 15 June 2016 is HK\$1,040 million (existing state) and HK\$1,390 million (completed state) respectively. The valuation report of the Property is shown in Appendix V to this circular.

LETTER FROM THE BOARD

The net profit before and after taxation and extraordinary items of the Target Company for the two years ended 31 March 2016 and 31 March 2015 are as follows:

	For the years ended	
	31 March	
	2016	2015
	<i>HK\$' million</i>	<i>HK\$' million</i>
Net profit before taxation and extraordinary items	52.4	89.8
Net profit after taxation and extraordinary items	52.4	89.8

The net assets of the Target Company (excluding the net amount due to the Vendor, the Company and a fellow subsidiary of the Group of approximately HK\$196.2 million) as at 31 March 2016 amounted to approximately HK\$571.2 million.

INFORMATION ON THE PRC PROPERTY

The PRC Property comprises the 1st to 3rd Floor of a building known as 鵬大廈 (Peng Building*) located in Luohu District, Shenzhen, the PRC, with a total gross area of approximately 5,317.8 sq. m.. The PRC Property is for commercial use and is located next to an exit of 洪湖站 (Honghu Station*) of Line 7, Shenzhen Metro which is expected to be in operation by the end of 2016.

The valuation of the PRC Property as appraised by Crowe Horwath (HK) Consulting & Valuation Limited, an independent valuer, as at 15 June 2016 is HK\$420 million. The valuation report of the PRC Property is shown in Appendix VI to this circular. According to the information supplied by the Purchaser, the PRC Property is currently leased together with other floors of the same building to a third party (“**Existing PRC Tenant**”) under one tenancy agreement at a monthly rental of approximately RMB1.37 million (equivalent to approximately HK\$1.6 million) and the tenancy agreement will expire in August 2023.

The table below sets out the profit before and after taxation of the PRC Property for the two years ended 31 December 2015 based on the information provided by the Purchaser:

	For the years ended 31 December			
	2015		2014	
	<i>RMB' million</i>	<i>HK\$' million</i>	<i>RMB' million</i>	<i>HK\$' million</i>
Profit before taxation				
<i>(Note)</i>	15.6	18.4	15.6	18.4
Profit after taxation				
<i>(Note)</i>	14.4	17.0	14.4	17.0

Note: According to the information provided by the Purchaser, (i) the Existing PRC Tenant incurred approximately RMB100 million for the renovation of Peng Building* in 2010; (ii) in September 2011, the Existing PRC Tenant and the PRC Owner entered into the relevant tenancy agreement in respect of the PRC Property and the other floors within Peng Building* for a term of 12 years; and (iii) the above financial information of the PRC Property has taken into account the annual sharing of the aforesaid renovation benefit attributable to the PRC Property on a straight line basis.

LETTER FROM THE BOARD

Pursuant to the terms of the SP Agreement, the Purchaser and the Purchaser's Guarantor have agreed to provide rental guarantee for a period of 36 months from the PRC Property Transfer Date and deliver vacant possession of the PRC Property thereafter in favour of the Vendor and the PRC Company, details of which are set out in the sub-section headed "The SP Agreement – Undertakings from the Purchaser in respect of the PRC Property" above.

INFORMATION ON THE VENDOR AND THE GROUP

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is an indirect 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 printed products, home finishing products, watch components and merchandises, securities investment and trading, development and operation of cemetery and information technology business.

REASONS FOR, AND BENEFITS OF, THE PROPOSED TRANSACTIONS

The Directors are of the view that (i) the current market presents a good opportunity for the Group to realise its investment in the Property at a profit through the disposal of the Sale Shares and the Sale Loan; and (ii) the PRC Property to be acquired by way of set-off of part of the Disposal Consideration will enable, in particular, with the Guaranteed Monthly Rentals, the Group to benefit from the stable rental revenue and return and provide long-term capital appreciation potential to the Group.

The net cash proceeds from the Disposal, after deducting the estimated expenses in relation to the Proposed Transactions and the estimated outstanding and additional construction and internal decoration costs relating to the Development as at the Latest Practicable Date, and on the assumption that part of the Disposal Consideration will be satisfied by the Acquisition, will amount to approximately HK\$1.47 billion. It is currently intended that the net proceeds will be applied as to approximately HK\$100 million for general working capital of the Group, as to approximately HK\$240 million for repayment of bank borrowings associated with the Property and, if suitable opportunities arise, as to approximately HK\$1.13 billion for business development of the Group, including, *inter alia*, land acquisitions and property investments. Accordingly, the Disposal will enable the Group to increase its working capital and reduce its bank borrowings, to improve its liquidity and strengthen the overall financial position and to facilitate its future development should opportunities arise.

As disclosed in the final results announcement of the Company for the year ended 31 March 2016, the Group is considering the possibility of disposing of its entire interest in a project located in Dongguan, the PRC. Save as disclosed above, as at the Latest Practicable Date, the Group had no intention, negotiation, agreement, arrangement and understanding for (i) the acquisition of any business; (ii) the injection of any new business; and (iii) the disposal, scaling-down and/or termination of its existing business and/or major operating assets.

LETTER FROM THE BOARD

Assuming that the Disposal Consideration will be satisfied partially by the PRC Property Transfer and that there is no impairment loss or negative goodwill arising from the PRC Property Transfer, based on the net asset value of the Target Company (excluding the net amount due to the Vendor, the Company and a fellow subsidiary of the Group) as at 31 March 2016, it is expected that completion of the Proposed Transactions will generate a net gain (including subsequent revaluation gain on the Property, if any) of approximately HK\$1.07 billion for the Group after taking into account the estimated expenses in relation to the Proposed Transactions, the repayment in full of all bank indebtedness associated with the Property prior to Completion and the settlement in full of all estimated outstanding and additional construction and internal decoration costs relating to the Development as at 31 March 2016. The difference of approximately HK\$9 million between the net gain stated in this circular and the net gain as stated in the Announcement was due to the revaluation gain on the Property recognised by the Group during the second half of the financial year ended 31 March 2016. However, the actual amount of net gain in connection with the Proposed Transactions can only be determined at Completion as the amount of construction and internal decoration costs relating to the Development and the fair value of the PRC Property are subject to variations.

On the basis of the above factors, 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 the Shareholders as a whole.

FINANCIAL EFFECTS OF THE PROPOSED TRANSACTIONS ON THE REMAINING GROUP

Assets and liabilities

According to the published final results announcement of the Company for the year ended 31 March 2016, the audited consolidated total assets and total liabilities of the Group as at 31 March 2016 were approximately HK\$15,464.0 million and HK\$5,411.6 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\$16,278.2 million and HK\$5,154.6 million respectively.

Profit for the year

For the year ended 31 March 2016, the Group recorded an audited profit for the year of approximately HK\$627.1 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\$1,717.3 million.

LISTING RULES IMPLICATIONS

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

LETTER FROM THE BOARD

Any Shareholder with a material interest in the Disposal and his close associates will abstain from voting on the resolution to be proposed at the SGM. As at the Latest Practicable Date, the Directors were not aware of the Purchaser and/or any of its close associates holding any Shares and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had a material interest in the Proposed Transactions and thus is required to abstain from voting at the SGM and, accordingly, all Shareholders are eligible to vote on the resolution to be proposed at the SGM.

SGM

A notice convening the SGM at which an ordinary resolution will be proposed for 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, Hong Kong on Monday, 8 August 2016 at 11:00 a.m. is set out on pages 66 to 67 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 Standard Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, 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 for the resolution in relation to the Disposal as set out in the notice of 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 Consortium International Limited
Albert Chuang Ka Pun
Joint Managing Director

* *English translation only*

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 71 to 155) and 31 March 2015 (pages 87 to 173), and the published final results announcement of the Company for the financial year ended 31 March 2016 (pages 1 to 19), respectively, and are incorporated by reference into this circular.

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

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0629/LTN20160629877.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0729/LTN20150729201.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0728/LTN20140728566.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 May 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\$3,924.4 million, comprising bank borrowings of approximately HK\$3,889.1 million of which approximately HK\$3,582.0 million was secured by fixed charges on certain assets of the Group, and unsecured borrowings from non-controlling shareholders of approximately HK\$35.3 million.

As at 31 May 2016, the Company provided a guarantee of HK\$117.0 million for the banking facility granted to a joint venture, and the Group provided guarantees of approximately HK\$1,062.3 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 May 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.

Save as disclosed, the Directors confirmed that there has been no material changes in the indebtedness and contingent liabilities of the Group from 31 May 2016 up to the Latest Practicable Date.

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 to 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 and development, and hotel business, the Remaining Group will continue to take steps (including implementation of upgrading works, reshuffling of tenant mix to attract higher quality tenants, improvement of quality of management services, etc.) to further enhance rental yield and return of its investment and hotel properties in Hong Kong, Malaysia, Taiwan and the PRC, and to unlock the store value of the Remaining Group's development projects in Hong Kong, the PRC, Vietnam and Mongolia by speeding up their development and sales in accordance with local market conditions.

As for manufacturing business, the Remaining Group will continue to solidify its customer base, strengthen partnership with major customers while expanding domestic sales in the PRC. In addition, the Remaining Group will reinforce its cost saving measures so as to enhance cost efficiency.

As for the cemetery business in the PRC, with the increase in demand of prestigious grave plots and niches due to the growth of aged population in the PRC, coupled with the improvement in infrastructure in nearby area, the Remaining Group is confident that this investment will be rewarding in the long-term.

As can be seen from analysis shown in the section headed "Reasons for, and benefits of, the Proposed Transactions" 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 Proposed Transactions, which is beneficial to the long-term development of the Remaining Group. Furthermore, the completion of the Proposed Transactions 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 COMPANY

Set out below are the balance sheets of the Target Company as at 31 March 2014, 2015 and 2016 and the statements of comprehensive income, statements of changes in equity and cash flow statements of the Target Company 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 2 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 2015 and the published final results announcement 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 Company set out in pages 23 to 28 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. Statements of Comprehensive Income

	For the year ended 31 March		
	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	—	—	—
Other income	—	—	6
Administrative and other operating expenses	(8,436)	(8,490)	(9,739)
Change in fair value of investment property	<u>(5,078)</u>	<u>98,295</u>	<u>62,169</u>
Operating (loss)/profit	(13,514)	89,805	52,436
Finance costs	<u>(6,339)</u>	<u>—</u>	<u>—</u>
(Loss)/profit and total comprehensive (loss)/income for the year	<u><u>(19,853)</u></u>	<u><u>89,805</u></u>	<u><u>52,436</u></u>

2. Balance Sheets

	As at 31 March		
	2014	2015	2016
	HK\$'000	HK\$'000	HK\$'000
Non-current assets			
Investment property	576,000	726,000	828,000
Property, plant and equipment	<u>—</u>	<u>—</u>	<u>—</u>
	<u>576,000</u>	<u>726,000</u>	<u>828,000</u>
Current assets			
Prepayments and deposits	433	124	91
Amount due from immediate holding company	34,373	27,049	16,146
Cash and bank balances	<u>27</u>	<u>31</u>	<u>36</u>
	<u>34,833</u>	<u>27,204</u>	<u>16,273</u>
Current liabilities			
Creditors and accruals	5,256	11,480	14,752
Amount due to a fellow subsidiary	11,172	14,405	17,771
Amount due to ultimate holding company	6,409	6,409	6,409
Current portion of long-term bank loans	<u>—</u>	<u>—</u>	<u>242,200</u>
	<u>22,837</u>	<u>32,294</u>	<u>281,132</u>
Net current assets/(liabilities)	<u>11,996</u>	<u>(5,090)</u>	<u>(264,859)</u>
Total assets less current liabilities	<u>587,996</u>	<u>720,910</u>	<u>563,141</u>
Non-current liabilities			
Loan from a fellow subsidiary	124,555	127,864	131,959
Loan from ultimate holding company	56,225	56,225	56,225
Long-term bank loans	<u>174,500</u>	<u>214,300</u>	<u>—</u>
	<u>355,280</u>	<u>398,389</u>	<u>188,184</u>
Net assets	<u>232,716</u>	<u>322,521</u>	<u>374,957</u>
Equity			
Share capital	3,000	3,000	3,000
Retained earnings	<u>229,716</u>	<u>319,521</u>	<u>371,957</u>
	<u>232,716</u>	<u>322,521</u>	<u>374,957</u>

3. Statements of Changes in Equity

	Share capital <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
Balance at 1 April 2013	3,000	249,569	252,569
Loss and total comprehensive loss for the year	<u>—</u>	<u>(19,853)</u>	<u>(19,853)</u>
Balance at 31 March 2014	3,000	229,716	232,716
Profit and total comprehensive income for the year	<u>—</u>	<u>89,805</u>	<u>89,805</u>
Balance at 31 March 2015	3,000	319,521	322,521
Profit and total comprehensive income for the year	<u>—</u>	<u>52,436</u>	<u>52,436</u>
Balance at 31 March 2016	<u><u>3,000</u></u>	<u><u>371,957</u></u>	<u><u>374,957</u></u>

4. Cash Flow Statements

	For the year ended 31 March		
	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash flows from operating activities			
Operating (loss)/profit	(13,514)	89,805	52,436
Change in fair value of investment properties	<u>5,078</u>	<u>(98,295)</u>	<u>(62,169)</u>
Operating loss before changes in working capital	(8,436)	(8,490)	(9,733)
Decrease in prepayments and deposits	351	309	33
Decrease in amount due from immediate holding company	4,696	7,324	10,903
Increase in creditors and accruals	<u>5,077</u>	<u>6,224</u>	<u>3,272</u>
Cash from operations	1,688	5,367	4,475
Finance costs paid	<u>(3,304)</u>	<u>(3,821)</u>	<u>(4,404)</u>
Net cash (used in)/from operating activities	<u>(1,616)</u>	<u>1,546</u>	<u>71</u>
Cash flows from investing activity			
Additions to investment property	<u>(6,967)</u>	<u>(44,651)</u>	<u>(32,061)</u>
Cash used in investing activity	<u>(6,967)</u>	<u>(44,651)</u>	<u>(32,061)</u>
Cash flows from financing activities			
New bank loan	5,800	39,800	27,900
Loan from a fellow subsidiary	<u>2,778</u>	<u>3,309</u>	<u>4,095</u>
Cash from financing activities	<u>8,578</u>	<u>43,109</u>	<u>31,995</u>
Net (decrease)/increase in cash and cash equivalents	(5)	4	5
Cash and cash equivalents			
Balance at the beginning of the year	<u>32</u>	<u>27</u>	<u>31</u>
Balance at the end of the year	<u><u>27</u></u>	<u><u>31</u></u>	<u><u>36</u></u>

5. Notes to the Financial Information

1. GENERAL INFORMATION

On 9 June 2016, Romantic Ltd, an indirect wholly-owned subsidiary of the Company as Vendor and the Company, as the guarantor of the Vendor's obligations, entered into the SP Agreement with the Purchaser and the Purchaser's Guarantor. Pursuant to the SP Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, and the Sale Loan at an aggregate consideration of HK\$2,100,000,000 (subject to adjustment). After Completion, the Target Company will cease to be a subsidiary of the Company.

2. BASIS OF PREPARATION

The Financial Information of the Target Company 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 2015 and the published final results announcement 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 2016, the Target Company had net current liabilities of approximately HK\$264,859,000. Pursuant to the SP Agreement, the Group has to repay the bank loans, and settle all the outstanding construction and internal decoration costs in respect of the Development before Completion. After taking into accounts these adjustments and eliminating the outstanding intercompany balances, the Target Company had net current assets of approximately HK\$88,000 as at 31 March 2016. Furthermore, the Company has confirmed its intention to provide sufficient financial support to the Target Company so as to enable the Target Company to meet all its liabilities and obligations as and when they fall due and to enable the Target Company to continue its business until the earlier of twelve months after the year ended 31 March 2016 and the Completion Date of the Disposal. Consequently, the Financial Information of the Target Company has been prepared on a going concern basis.

3. ESTIMATE OF FAIR VALUE OF INVESTMENT PROPERTY

The valuation of investment property is performed in accordance with 'The HKIS Valuation Standards (2012 Edition)' published by the Hong Kong Institute of Surveyors. Details of the judgment and assumptions includes:

(a) Valuation processes of the Target Company

The Target Company's investment property was valued at 31 March 2014, 2015 and 2016 by an independent professional valuer, who holds a recognized relevant professional qualification and has recent experience in the location of the investment property valued. The investment property's current use equates to the highest and best use.

The Target Company's finance department and property department review the valuation performed by the independent valuer for financial reporting purposes and report directly to the senior management of the Target Company. Discussions of the valuation processes and results are held between the management and valuer at least once every six months. The finance department and property department:

- verify all major inputs to the independent valuation report;
- assess property valuations movements when compared to the prior period valuation report; and
- hold discussions with the independent valuer.

(b) Valuation techniques

Fair value of property under development is generally derived using the residual method. This valuation method is essentially a means of valuing the completed property by reference to its development potential by deducting development costs to completion together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

There were no changes to the valuation techniques during the years ended 31 March 2014, 2015 and 2016.

(c) Significant unobservable inputs used to determine fair value

Estimated costs to completion, developer's profit and risk margins required are estimated by valuer based on market conditions at the end of each reporting period for the property under development. The estimates are largely consistent with the budgets developed internally by the Target Company based on management's experience and knowledge of market conditions. The higher the costs and the margins, the lower the fair value.

Estimates and judgments used in preparing the financial statements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Target Company makes estimates and assumptions concerning the future.

**MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING CHUANG'S
CONSORTIUM GROUP FOR THE YEARS ENDED 31 MARCH 2014, 2015 AND 2016****Liquidity, financial resources and capital commitments**

The Remaining Chuang's Consortium Group's assets portfolio was mainly financed by its shareholders' funds and bank borrowings. As at 31 March 2014, 2015 and 2016, shareholders' funds of the Remaining Chuang's Consortium Group amounted to HK\$7,525 million, HK\$7,848 million and HK\$8,204 million, respectively. As at 31 March 2014, 2015 and 2016, bank borrowings of the Remaining Chuang's Consortium Group amounted to HK\$3,078 million, HK\$3,486 million and HK\$3,729 million, respectively. As at 31 March 2014, 2015 and 2016, 82%, 86% and 89%, respectively of the bank borrowings of the Remaining Chuang's Consortium Group were denominated in Hong Kong dollar with the balance denominated in other currencies. Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, as at 31 March 2014, 2015 and 2016, approximately 5%, 24% and 13%, respectively of the Remaining Chuang's Consortium Group's bank borrowings were repayable within the first year, 23%, 12% and 6%, respectively were repayable within the second year, 46%, 32% and 62%, respectively were repayable within the third to fifth years and the balance of 26%, 32% and 19%, respectively were repayable after the fifth year. The effective interest rates of such bank borrowings as at 31 March 2014, 2015 and 2016 range from 1.46% to 7.56%, 1.57% to 7.80% and 1.54% to 8.08% per annum, respectively.

As at 31 March 2014, 2015 and 2016, the net current assets of the Remaining Chuang's Consortium Group amounted to HK\$3,706 million, HK\$3,286 million and HK\$3,598 million, respectively. The cash, bank balances (including pledged bank balances) and investments held for trading of the Remaining Chuang's Consortium Group as at 31 March 2014, 2015 and 2016 amounted to HK\$2,455 million, HK\$2,113 million and HK\$2,175 million, respectively. As at 31 March 2014, 2015 and 2016, 62%, 58%, and 63%, respectively of the cash, bank balances (including pledged bank balances) and investments held for trading of the Remaining Chuang's Consortium Group were denominated in Hong Kong dollar with the balance denominated in other currencies.

As at 31 March 2014, 2015 and 2016, capital commitments of the Remaining Chuang's Consortium Group amounted to HK\$379 million, HK\$434 million and HK\$399 million, respectively. These capital commitments mainly related to property development expenditures for the Remaining Chuang's Consortium Group's property projects.

For the years ended 31 March 2014, 2015 and 2016, the Company had issued approximately 41.5 million Shares, 11.7 million Shares and 4.5 million Shares, respectively pursuant to the interim and final scrip dividend schemes, which represented HK\$40.9 million, HK\$10.4 million and HK\$3.7 million, respectively.

During the year ended 31 March 2016, the Company repurchased a total of 44.4 million Shares on the Stock Exchange at an aggregate cash consideration of approximately HK\$44.1 million (excluding expenses). All the repurchased Shares were then cancelled.

In November 2014 and May 2016, Midas International Holdings Limited and Chuang's China Investments Limited ("Chuang's China") (both are listed subsidiaries of the Remaining Chuang's Consortium Group) have completed their respective rights issues to raise net proceeds of approximately HK\$107 million and HK\$223 million respectively, whereas the Remaining Chuang's Consortium Group had taken up in full its entitlements under both rights issues. The proceeds were/will be used by the subsidiaries to finance their daily operations and for further expansion of their business ventures.

Segmental information

The Remaining Chuang's Consortium Group had five business segments, namely property development, investment and trading, hotel operation and management, sales of goods and merchandises, securities investment and trading, and cemetery. A summary of the revenues and profit or loss of each business segment of the Remaining Chuang's Consortium Group for the three years ended 31 March 2014, 2015 and 2016 is as follows:

	Property development, investment and trading <i>HK\$'000</i>	Hotel operation and management <i>HK\$'000</i>	Sales of goods and merchandises <i>HK\$'000</i>	Securities investment and trading <i>HK\$'000</i>	Cemetery <i>HK\$'000</i>
2016					
Revenues	1,427,648	98,779	303,048	17,397	22,300
Profit/(loss) for the year	868,014	(78,996)	(28,478)	16,411	(3,561)
2015					
Revenues	1,158,371	6,185	345,401	(720)	12,472
Profit/(loss) for the year	697,793	(75,391)	(36,390)	(885)	10,125
2014					
Revenues	950,694	—	387,300	41,572	9,487
Profit/(loss) for the year	684,756	1,296	(51,789)	41,572	(3,799)

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

On 27 May 2013, a wholly-owned subsidiary of Chuang's China 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 Chuang's China 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\$118 million), of which RMB60 million (equivalent to approximately HK\$70.8 million) was paid up as at 31 March 2016. Details of the transaction were set out in the announcement of the Company dated 18 July 2013.

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

Employees and remuneration policies

The Remaining Chuang's Consortium Group had 2,528, 1,937 and 1,902 employees for the three years ended 31 March 2014, 2015 and 2016, respectively. The staff cost (including the directors' emoluments) of the Remaining Chuang's Consortium Group for the three years ended 31 March 2014, 2015 and 2016 was HK\$223 million, HK\$244 million and HK\$266 million, respectively.

The Remaining Chuang's Consortium 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 Chuang's Consortium Group had pledged its assets including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for sale, trade debtors and bank deposits, with an aggregate carrying value of HK\$6,508 million, HK\$7,533 million and HK\$7,630 million, respectively to secure banking and financial guarantee facilities granted to subsidiaries of the Remaining Chuang's Consortium Group.

Future plans for material capital assets

During the three years ended 31 March 2016, future plans for material capital assets of the Remaining Chuang's Consortium Group included (i) the conversion of a commercial/office building in Hunghom into Hotel sav in which operation commenced since February 2015; (ii) the plan to upgrade Chuang's Tower in Central to further enhance its rental yield; and (iii) the possible renovation and upgrading works of Chuang's London Plaza in Tsim Sha Tsui. The Remaining Chuang's Consortium Group financed and intended to finance these future plans from internal resources and bank borrowings of the Remaining Chuang's Consortium Group.

Gearing ratio

The gearing ratio was calculated as a percentage of bank borrowings net of cash, bank balances and investments held for trading of the Remaining Chuang's Consortium Group over shareholders' funds of the Remaining Chuang's Consortium Group. The gearing ratio of the Remaining Chuang's Consortium Group as at 31 March 2014, 2015 and 2016 was 8.3%, 17.5% and 18.9%, respectively.

Exposure to fluctuations in exchange rates and related hedges

The Remaining Chuang's Consortium Group conducted its businesses in other places outside Hong Kong (the PRC, Malaysia, Vietnam, Mongolia, Taiwan and Singapore), with the income and the major costs items in those places being denominated in their local foreign currencies. Therefore, it is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operations of the Remaining Chuang's Consortium Group. However, as the Remaining Chuang's Consortium Group's consolidated financial statements are presented in Hong Kong dollar, the Remaining Chuang's Consortium Group financial position is subject to exchange exposure to these foreign currencies. The Remaining Chuang's Consortium Group did not have any related hedges for the three years ended 31 March 2014, 2015 and 2016. The Remaining Chuang's Consortium Group would closely monitor this risk exposure from time to time.

Contingent liabilities

As at 31 March 2014, 2015 and 2016, the Company had provided a guarantee of HK\$117 million, HK\$117 million and HK\$117 million, respectively for the banking facility granted to a joint venture, and the subsidiaries of the Remaining Chuang's Consortium Group had provided guarantees of 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 subsidiaries of the Remaining Chuang's Consortium 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 published final results announcement of the Company, and the Financial Information of the Target Company 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					The
	as at					Remaining
	31 March					Group
	2016					as at
	Pro forma adjustments					31 March
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	2016
	Note 1	Note 3	Note 4(i)	Note 5	Note 7	HK\$'000
Non-current assets						
Properties, plant and equipment	676,503	—	—	—	—	676,503
Investment properties	6,777,007	—	—	(828,000)	420,000	6,369,007
Leasehold lands and land use rights	883,580	—	—	—	—	883,580
Properties for/under development	588,828	—	—	—	—	588,828
Cemetery assets	545,870	—	—	—	—	545,870
Associated companies	64,738	—	—	—	—	64,738
Joint ventures	351,465	—	—	—	—	351,465
Available-for-sale financial assets	179,736	—	—	—	—	179,736
Loans and receivables	159,007	—	—	—	—	159,007
	<u>10,226,734</u>	<u>—</u>	<u>—</u>	<u>(828,000)</u>	<u>420,000</u>	<u>9,818,734</u>
Current assets						
Properties for sales	2,321,074	—	—	—	—	2,321,074
Inventories	176,827	—	—	—	—	176,827
Cemetery assets	103,265	—	—	—	—	103,265
Debtors and prepayments	461,068	—	—	(91)	—	460,977
Financial assets at fair value through profit or loss	506,943	—	—	—	—	506,943
Pledged bank balances	40,173	—	—	—	—	40,173
Cash and bank balances	1,627,886	(211,021)	(242,200)	(36)	1,675,550	2,850,179
	<u>5,237,236</u>	<u>(211,021)</u>	<u>(242,200)</u>	<u>(127)</u>	<u>1,675,550</u>	<u>6,459,438</u>

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

	The Group					The Remaining Group
	as at					as at
	31 March					31 March
	2016					2016
	HK\$'000	HK\$'000	Pro forma adjustments		HK\$'000	HK\$'000
	Note 1	Note 3	Note 4(i)	Note 5	Note 7	
Current liabilities						
Creditors and accruals	360,095	(14,713)	—	(39)	—	345,343
Sales deposits received	364,830	—	—	—	—	364,830
Short-term bank borrowings	15,098	—	—	—	—	15,098
Current portion of long-term bank borrowings	842,847	—	(242,200)	—	—	600,647
Taxation payable	313,232	—	—	—	—	313,232
	<u>1,896,102</u>	<u>(14,713)</u>	<u>(242,200)</u>	<u>(39)</u>	<u>—</u>	<u>1,639,150</u>
Net current assets	<u>3,341,134</u>	<u>(196,308)</u>	<u>—</u>	<u>(88)</u>	<u>1,675,550</u>	<u>4,820,288</u>
Total assets less current liabilities	<u>13,567,868</u>	<u>(196,308)</u>	<u>—</u>	<u>(828,088)</u>	<u>2,095,550</u>	<u>14,639,022</u>
Non-current liabilities						
Long-term bank borrowings	3,113,127	—	—	—	—	3,113,127
Deferred taxation liabilities	367,977	—	—	—	—	367,977
Loans and payables with non-controlling interests	34,346	—	—	—	—	34,346
	<u>3,515,450</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,515,450</u>
Net assets	<u>10,052,418</u>	<u>(196,308)</u>	<u>—</u>	<u>(828,088)</u>	<u>2,095,550</u>	<u>11,123,572</u>
Representing:						
Equity						
Share capital	423,479	—	—	—	—	423,479
Reserves	8,191,233	(196,308)	—	(828,088)	2,095,550	9,262,387
Shareholders' funds	8,614,712	(196,308)	—	(828,088)	2,095,550	9,685,866
Non-controlling interests	1,437,706	—	—	—	—	1,437,706
Total equity	<u>10,052,418</u>	<u>(196,308)</u>	<u>—</u>	<u>(828,088)</u>	<u>2,095,550</u>	<u>11,123,572</u>

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

	The Group for the year ended 31 March 2016					The Remaining Group for the year ended 31 March 2016
	HK\$'000	HK\$'000	Pro forma adjustments		HK\$'000	HK\$'000
	Note 2	Note 4(ii)	HK\$'000 Note 6	HK\$'000 Note 8	HK\$'000 Note 10	
Revenues	1,869,172	—	—	—	21,600	1,890,772
Cost of sales	(995,589)	—	—	—	(960)	(996,549)
Gross profit	873,583	—	—	—	20,640	894,223
Other income and net gain	126,876	—	(6)	1,136,657	—	1,263,527
Selling and marketing expenses	(141,558)	—	—	—	—	(141,558)
Administrative and other operating expenses	(496,402)	—	265	—	—	(496,137)
Change in fair value of investment properties	446,143	4,404	(66,573)	—	—	383,974
Operating profit	808,642	4,404	(66,314)	1,136,657	20,640	1,904,029
Finance costs	(86,999)	—	—	—	—	(86,999)
Share of results of associated companies	42	—	—	—	—	42
Share of results of joint ventures	64,265	—	—	—	—	64,265
Profit before taxation	785,950	4,404	(66,314)	1,136,657	20,640	1,881,337
Taxation	(158,836)	—	—	—	(5,160)	(163,996)
Profit for the year	627,114	4,404	(66,314)	1,136,657	15,480	1,717,341

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

	The Group for the year ended 31 March 2016					The Remaining Group for the year ended 31 March 2016
	HK\$'000	HK\$'000	Pro forma adjustments		HK\$'000	HK\$'000
	Note 2	Note 4(ii)	Note 6	Note 8	Note 10	
Profit for the year	627,114	4,404	(66,314)	1,136,657	15,480	1,717,341
Other comprehensive income:						
Items that may be reclassified subsequently to profit and loss:						
Net exchange differences	(96,333)	—	—	—	—	(96,333)
Change in fair value of available- for-sale financial assets	(58,840)	—	—	—	—	(58,840)
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	(199)	—	—	—	—	(199)
Total other comprehensive loss that may be reclassified subsequently to profit and loss	(155,372)	—	—	—	—	(155,372)
Item that may not be reclassified subsequently to profit and loss:						
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax	54,188	—	—	—	—	54,188
Total other comprehensive loss for the year	(101,184)	—	—	—	—	(101,184)
Total comprehensive income for the year	525,930	4,404	(66,314)	1,136,657	15,480	1,616,157

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

	The Group for the year ended 31 March 2016		Pro forma adjustments		The Remaining Group for the year ended 31 March 2016	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note 2	Note 4(iii)	Note 6	Note 9	Note 10	
Cash flows from operating activities						
Operating Profit	808,642	—	(61,910)	—	20,640	767,372
Interest Income from bank deposits	(15,641)	—	—	—	—	(15,641)
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	(21,187)	—	—	—	—	(21,187)
Reversal of provision for impairment of properties for sale	(2,392)	—	—	—	—	(2,392)
Reversal of provision for impairment of trade debtors	(269)	—	—	—	—	(269)
Net gain on disposal of property, plant and equipment	(4,718)	—	—	—	—	(4,718)
Gain on disposal of available-for-sale financial assets	(285)	—	—	—	—	(285)
Change in fair value of investment properties	(446,143)	—	62,169	—	—	(383,974)
Reversal of provision for impairment of inventories	(1,644)	—	—	—	—	(1,644)
Depreciation	63,192	—	—	—	—	63,192
Amortization of leasehold lands and land use rights	41,606	—	—	—	—	41,606
Provision for impairment of properties for sale	2,263	—	—	—	—	2,263
Provision for impairment of inventories	5,521	—	—	—	—	5,521
Provision for impairment of trade debtors	925	—	—	—	—	925
Provision for impairment of other deposits	6,500	—	—	—	—	6,500
Operating profit before working capital changes	369,184	—	259	—	20,640	390,083

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 31
	HK\$'000	HK\$'000	Pro forma adjustments		HK\$'000	March 2016
	Note 2	Note 4(iii)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			Note 6	Note 9	Note 10	
Operating profit before working capital changes	369,184	—	259	—	20,640	390,083
Increase in loans and receivables	(157,000)	—	—	—	—	(157,000)
Increase in properties for/under development and properties for sale	(62,431)	—	—	—	—	(62,431)
Decrease in inventories	5,208	—	—	—	—	5,208
Increase in cemetery assets	(1,593)	—	—	—	—	(1,593)
Decrease in debtors and prepayments	57,694	—	(33)	—	—	57,661
Increase in financial assets at fair value through profit or loss	(421,322)	—	—	—	—	(421,322)
Decrease in creditors and accruals	(13,258)	—	(3,272)	—	—	(16,530)
Increase in sales deposits received	151,441	—	—	—	—	151,441
Cash used in operations	(72,077)	—	(3,046)	—	20,640	(54,483)
Interest paid	(102,948)	4,404	—	—	—	(98,544)
Tax paid	(172,940)	—	—	—	(5,160)	(178,100)
Net cash (used in)/from operating activities	(347,965)	4,404	(3,046)	—	15,480	(331,127)
Cash flows from investing activities						
Purchase of property, plant and equipment	(14,926)	—	—	—	—	(14,926)
Additions to investment properties	(143,501)	—	32,061	—	—	(111,440)
Acquisition of an associated company	(1)	—	—	—	—	(1)
Purchase of available-for-sale financial assets	(560)	—	—	—	—	(560)
Proceeds from disposal of property, plant and equipment	6,642	—	—	—	—	6,642
Net proceeds from disposal of available-for-sale financial assets	2,778	—	—	—	—	2,778
Increase in net amounts due from associated companies	(15,326)	—	—	—	—	(15,326)
Increase in amounts due from joint ventures	(2,750)	—	—	—	—	(2,750)
Decrease in pledged bank balances	15,096	—	—	—	—	15,096
Increase in bank deposits maturing more than three months from date of placement	(130,108)	—	—	—	—	(130,108)
Interest income received	16,436	—	—	—	—	16,436
Dividend income received	8,690	—	—	—	—	8,690
Net proceed from disposal of a subsidiary	—	—	—	1,431,332	—	1,431,332
Net cash (used in)/from investing activities	(257,530)	—	32,061	1,431,332	—	1,205,863

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

	The Group for the year ended 31 March 2016		Pro forma adjustments		The Remaining Group for the year ended 31 March 2016	
	HK\$'000 Note 2	HK\$'000 Note 4(iii)	HK\$'000 Note 6	HK\$'000 Note 9	HK\$'000 Note 10	HK\$'000
Cash flows from financing activities						
New bank borrowings	798,148	(27,900)	—	—	—	770,248
Repayment of bank borrowings	(506,963)	(214,300)	—	—	—	(721,263)
Dividends paid to shareholders	(83,114)	—	—	—	—	(83,114)
Dividends paid to non-controlling interests	(22,008)	—	—	—	—	(22,008)
Loans from non-controlling interests	2,266	—	—	—	—	2,266
Acquisition of interest in a subsidiary	(271)	—	—	—	—	(271)
Repurchase of shares	(44,300)	—	—	—	—	(44,300)
Net cash from/(used in) financing activities	<u>143,758</u>	<u>(242,200)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(98,442)</u>
Net (decrease)/increase in cash and cash equivalents	(461,737)	(237,796)	29,015	1,431,332	15,480	776,294
Cash and cash equivalents at the beginning of the year	1,971,404	—	(31)	—	—	1,971,373
Exchange difference on cash and cash equivalents	(12,658)	—	—	—	—	(12,658)
Cash and cash equivalents at the end of the year	<u>1,497,009</u>	<u>(237,796)</u>	<u>28,984</u>	<u>1,431,332</u>	<u>15,480</u>	<u>2,735,009</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 published final results announcement 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 published final results announcement of the Group for the year ended 31 March 2016.
- These adjustments represent the settlement of the estimated total outstanding construction and internal decoration costs as at 31 March 2016 in respect of the Development based on the Vendor's estimation as at the Latest Practicable Date, assuming they were settled by the Remaining Group as at 31 March 2016 due to the Disposal being completed on 31 March 2016.

4. The Property was pledged and mortgaged to a bank for bank borrowings of the Target Company. Such bank borrowings have to be repaid by the Remaining Group before Completion of the Disposal.

In the unaudited pro forma consolidated balance sheet, since it is to illustrate the financial position of the Remaining Group as if the Disposal had been completed on 31 March 2016, it is assumed that the bank borrowings were repaid by the Remaining Group on 31 March 2016.

In the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated cash flow statement, since it is to illustrate 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, it is assumed that the bank borrowings were repaid by the Remaining Group on 1 April 2015.

- (i) In the unaudited pro forma consolidated balance sheet, these adjustments represent the repayment of the bank borrowings of the Target Company, assuming they were repaid by the Remaining Group on 31 March 2016 due to the Disposal being completed on 31 March 2016.
 - (ii) In the unaudited pro forma consolidated statement of comprehensive income, assuming the bank borrowings had been fully repaid on 1 April 2015 due to the Disposal being completed on 1 April 2015, these adjustments represent the increase in change in fair value of the Property arising from the reversal of related finance costs of HK\$4,404,000 incurred for the bank borrowings for the year ended 31 March 2016 capitalized in the Property. As the fair value of the Property as at 31 March 2016 is unchanged and the portion of the increase in fair value attributable to the capitalized finance costs are reversed, the portion of the increase in fair value recorded on the unaudited pro forma consolidated statement of comprehensive income is increased to make up for the reversal of the capitalized finance costs.
 - (iii) In the unaudited pro forma consolidated cash flow statement, assuming the bank borrowings had been fully repaid on 1 April 2015 due to the Disposal being completed on 1 April 2015, these adjustments represent the reversal of finance costs of HK\$4,404,000 paid for the bank borrowings for the year ended 31 March 2016, the reversal of proceeds from new bank borrowings of HK\$27,900,000 drawn for the year ended 31 March 2016 and the repayment of the whole bank borrowings of HK\$214,300,000 as at 1 April 2015.
5. These adjustments represent the exclusion of assets and liabilities of the Target Company assuming the Disposal was completed on 31 March 2016, except for the amounts of the accruals of the construction and internal decoration costs and the bank borrowings which have been dealt with in Notes 3 and 4(i) above and the intercompany balances which have been eliminated in the audited consolidated balance sheet of the Group as at 31 March 2016. The balances have been extracted from the financial information of the Target Company as at 31 March 2016 as set forth in Appendix II of this circular.
6. These adjustments represent the exclusion of the results and cash flows of the Target Company for the year ended 31 March 2016 as if the Disposal had been completed on 1 April 2015, except for the proceeds from new bank borrowings and the finance costs of the bank borrowings which have been dealt with in Notes 4(ii) and 4(iii) above in the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated cash flow statement. The amounts have been extracted from the financial information of the Target Company for the year ended 31 March 2016 as set forth in Appendix II of this circular.

These adjustments also exclude the intercompany transactions of approximately HK\$9,474,000 charged by the Group to the Target Company for the year ended 31 March 2016 as the Remaining Group has to bear these administrative expenses after Completion of the Disposal, and the increase in fair value of the Property of HK\$4,404,000 arising from the reversal of finance costs capitalized as stated in Note 4(ii) above.

7. These adjustments assume the Disposal Consideration is satisfied partially by cash in the amount of HK\$1,680 million and partially by the PRC Property Transfer in the amount of HK\$420 million which is then recorded by the Remaining Group as investment property, and net of the estimated expenses of approximately HK\$4,450,000 directly attributable to the Disposal, as if the Disposal had been completed on 31 March 2016.

It is assumed that there is no adjustment to the Disposal Consideration as mentioned under the sub-section headed “The SP Agreement – Adjustment to the Disposal Consideration” of the letter from the Board in this circular. It is also assumed that there is no impairment loss or negative goodwill arising from the PRC Property Transfer.

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

	<i>HK\$'000</i>
Disposal Consideration	2,100,000
Less: Estimated expenses directly attributable to the Disposal	<u>(4,450)</u>
	2,095,550
Less: Net asset value of the Target Company as at 1 April 2015	(322,521)
Bank borrowings of the Target Company as at 1 April 2015	(214,300)
Net amount due to the Vendor, the Company and a fellow subsidiary of the Group by the Target Company as at 1 April 2015	<u>(177,854)</u> <u>(714,675)</u>
	1,380,875
Less: Estimated total outstanding construction and internal decoration costs as at 1 April 2015 in respect of the Development based on the Vendor's estimation as at the Latest Practicable Date borne by the Remaining Group	<u>(244,218)</u>
Estimated gain on the Disposal	<u><u>1,136,657</u></u>

If the Disposal had taken place on 31 March 2016, based on this calculation and taking into consideration of the pro forma adjustments as mentioned in Notes 4(ii) and 6 above, the estimated gain on the Disposal will be approximately HK\$1,074,747,000.

It is assumed that there is no adjustment to the Disposal Consideration as mentioned under the sub-section headed “The SP Agreement – Adjustment to the Disposal Consideration” of the letter from the Board in this circular. It is also assumed that there is no impairment loss or negative goodwill arising from the PRC Property Transfer. Thus the actual amount of gain on the Disposal can only be determined at Completion as there may be adjustment on the Disposal Consideration, and the amount of the construction and internal decoration costs relating to the Development and the fair value of the PRC Property are subject to variations.

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

	<i>HK\$'000</i>
Disposal Consideration	2,100,000
Less: PRC Property Transfer	<u>(420,000)</u>
Disposal Consideration in cash	1,680,000
Less: Estimated expenses directly attributable to the Disposal	<u>(4,450)</u>
	1,675,550
Less: Estimated total outstanding construction and internal decoration costs as at 1 April 2015 in respect of the Development based on the Vendor's estimation as at the Latest Practicable Date borne by the Remaining Group	<u>(244,218)</u>
Estimated cash flow from the Disposal	<u><u>1,431,332</u></u>

It is assumed that there is no adjustment to the Disposal Consideration as mentioned under the sub-section headed "The SP Agreement – Adjustment to the Disposal Consideration" of the letter from the Board in this circular. Thus the actual amount of cash flow from the Disposal can only be determined at Completion as there may be adjustment on the Disposal Consideration, and the amount of the construction and internal decoration costs relating to the Development are subject to variations.

10. These adjustments represent the inclusion of the results and cash flows of the PRC Property for the year ended 31 March 2016 assuming the Disposal was completed on 1 April 2015 and taking into account the rental guarantee undertaken by the Purchaser.
11. In the unaudited pro forma consolidated balance sheet, apart from Notes 3, 4(i), 5 and 7 above, no other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2016, including the fair value changes of the Property, if any.
12. In the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated cash flow statement, apart from Notes 4(ii), 4(iii), 6, 8, 9 and 10 above, no other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 1 April 2015, including the fair value changes of the Property, if any.
13. 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.

**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 CONSORTIUM INTERNATIONAL
LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Chuang's Consortium International Limited (the "Company") and its subsidiaries (collectively the "Group") excluding Chateau 15 Investments Limited (the "Disposal Company") and including the consideration and property received from the proposed disposal of the Disposal Company (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 33 to 43 of the Company's circular dated 20 July 2016, in connection with the proposed disposal of the entire issued share capital of the Disposal Company (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 33 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 at 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 issued.

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 or 1 April 2015 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, 20 July 2016

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Colliers International (Hong Kong) Limited, an independent valuer, in connection with its valuation as at 15 June 2016 of the Property.



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

Suite 5701 Central Plaza
 18 Harbour Road Wanchai
 Hong Kong



The Board of Directors

Chuang's Consortium International Limited
 25/F, Alexandra House,
 18 Chater Road,
 Central,
 Hong Kong

20 July 2016

Dear Sir/Madam,

INSTRUCTIONS, PURPOSE AND VALUATION DATE

We refer to your instructions for us to assess the market value of a residential development site located at 15 Gough Hill Road, The Peak, Hong Kong (the "Property") owned by a subsidiary of Chuang's Consortium International Limited (the "Company"). We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 15 June 2016 (the "Valuation Date").

BASIS OF VALUATION

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

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

In determining the market value of the Property, we have valued the Property by the Residual Approach. In the course of the Residual Approach, we have adopted the Market Approach to assess the Gross Development Value.

Residual Approach is a means of valuing land or buildings by reference to their development potential. The value is the residue of the Gross Development Value of the proposed development scheme upon completion, deferred by the development period up to the time when all the units have been disposed of in the open market, after deducting the development costs including demolition costs, building costs, professional fees and allowance for risk and profit.

Market Approach estimates the value of a property by comparing recent sales of similar interests in the building or buildings located in their surrounding area. By analysing such sales which qualify as ‘arms-length’ transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the property. This approach is commonly used to value properties when reliable sales evidence of properties of a similar nature is available.

VALUATION STANDARDS

The valuation has been carried out in accordance with The HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors, the RICS Valuation — Professional Standards (January 2014) incorporating the International Valuation Standards published by the Royal Institution of Chartered Surveyors, the International Valuation Standards published by the International Valuation Standards Council and Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the Property. However, we have not scrutinized the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Company.

No legal opinions are required for the Property, which are located in developed property markets.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the Property set out in this letter and valuation certificate.

SOURCES OF INFORMATION

We have relied to a considerable extent on the information provided by the Company, in respect of the titles to the Property in Hong Kong. We have also accepted advice given to us on matters such as statutory notices, easements, tenure, site areas, site plans and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

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

SITE MEASUREMENT

We have not carried out detailed on-site measurements to verify the correctness of the site areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

SITE INSPECTION

We have inspected the exteriors and, where possible, the interior of the Property. The site inspection was carried out on 28 June 2016 by Mr. Vincent Cheung and Ms. Hannah Jeong. However, we have not carried out an investigation to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

VALUATION ASSUMPTIONS

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

No allowances have been made in our valuation for any charges, mortgages or amounts owing neither on the Property nor for any expenses or taxes which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

This report and its conclusion provide value reference solely for the Company for the proposed transactions as announced by the Company on 15 June 2016 and not for other purposes. The valuation report will be attached to the publications made by the Company to its shareholders.

We have conducted the valuations assuming that:

- (i) all information of the Property provided by the Company is correct;
- (ii) the Property is free of contamination and the ground condition is suitable for the developments;
- (iii) all usual utilities are connected to the Property and all associated costs have been fully paid and settled;
- (iv) the clean and enforceable title of the Property has been obtained and can be freely transferred, mortgaged, sublet or otherwise disposed of in the market without payment of any land premium or onerous fees;
- (v) all required approvals and certificates necessary for the proposed development and occupation and use of the Property have been duly obtained by the Company and are in full force and effect;
- (vi) the land lease term of the Property has been or would be renewed in accordance with the laws of Hong Kong with all land premiums, if any, being settled;
- (vii) our valuation is based on the information as advised by the Company, such as the site area, gross area, completion date, floor/building plans, etc. We have had no reason to doubt the truth and accuracy of the information provided; and
- (viii) other assumptions as set out in the valuation certificate.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollars (HKD).

We hereby certify that we have neither present nor a prospective interest in the Property or the value reported.

Our valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Colliers International (Hong Kong) Limited
Vincent Cheung
BSc(Hons) MBA FRICS MHKIS RPS(GP)
Executive Director
Valuation & Advisory Services — Asia

Note: Mr. Vincent Cheung (“Mr. Cheung”) holds a Master of Business Administration and he is a Registered Professional Surveyor with over 18 years’ experience in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr. Cheung is a fellow member of the Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. Mr. Cheung is one of the valuers on the “list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers” as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 15 June 2016
15 Gough Hill Road, The Peak, Hong Kong Lot Number: Rural Building Lot No. 723 (the "Lot")	As at the Valuation Date, 15 Gough Hill Road (the "Property") was a residential development site that was proposed to be a 6-storey single-detached house comprising Lower Ground 3 for car parking uses, Lower Ground 2 and Lower Ground 1 for ancillary accommodation, and Ground Floor to 2/F for residential uses.	As advised by the Company, the Property is currently under construction as at the Valuation Date.	HKD1,040,000,000 (Hong Kong Dollar One Billion and Forty Million)
	According to the building plans provided by the Company, the Property has a registered site area of 18,469 sq. ft. and a total gross floor area of 9,220 sq. ft. As advised by the Company, the occupation permit of the Property is expected to be issued in the third quarter of 2017.		Gross Development Value of the Property as at 15 June 2016: HKD1,390,000,000 (Hong Kong Dollar One Billion and Three Hundred Ninety Million)
	Rural Building Lot No. 723 is held under Government Lease for a term of 150 years commencing from 10 December 1878. The annual Government rent payable for the Lot is HKD424.		

Notes:

- (1) The valuation of the Property was prepared by Ms. Mathias Wan *MRICS* and Ms. Hannah Jeong *MHKIS MRICS* under the supervision of Mr. Vincent Cheung *MHKIS FRICS RPS(GP)*.
- (2) The registered owner of the Property is Chateau 15 Investments Limited (formerly known as Lambda Industrial Limited) by an Assignment dated 10 January 2007 at a consideration of HKD166,000,000, registered vide Memorial No.07012402250141.
- (3) The Property is subject to the following encumbrances:
 - a. A Superseding Building Order No. DH0041/HK/08/C under S.27A of the Building Ordinance dated 4 July 2008, registered vide Memorial No. 08072901090020.
 - b. A Superseding Building Order No. DH0042/HK/08/C under S.27A of the Building Ordinance dated 4 July 2008, registered vide Memorial No. 08072901090038.
 - c. A Modification Letter with Plan dated 24 August 2010, registered vide Memorial No. 10082701440018.
 - d. A Debenture Incorporating a First Legal Charge and a First Floating Charge dated 2 September 2011 in favour of The Hongkong and Shanghai Banking Corporation Limited, registered vide Memorial No. 11092102340232.
- (4) As advised by the Company, the total construction and internal decoration costs to be incurred is approximately HKD294,000,000 and the outstanding construction and internal decoration costs is approximately HKD205,600,000 as at the Valuation Date.

- (5) The Property lies within an area zoned “Residential (Group C)” under The Peak Area Outline Zoning Plan S/H14/12.
- (6) As advised by the Company, on 9 June 2016, the vendor (an indirect wholly-owned subsidiary of the Company), the purchaser, the Company (as guarantor of the vendor) and the purchaser’s guarantor entered into the agreement, pursuant to which the vendor has conditionally agreed to sell, and the purchaser has conditionally agreed to acquire, the sale shares, representing the entire issued share capital of the Chateau 15 Investments Limited, and the sale loan, at an aggregate consideration of HKD2,100,000,000 (subject to adjustment). As at the latest practicable date of 15 July 2016 and at completion, the Property was/will be the only major asset of Chateau 15 Investments Limited.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Crowe Horwath (HK) Consulting & Valuation Limited, an independent valuer, in connection with its valuation as at 15 June 2016 of the PRC Property.



國富浩華(香港)諮詢評估有限公司
Crowe Horwath (HK) Consulting & Valuation Limited
Member Crowe Horwath International

香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong
電話 Main +852 2894 6888
傳真 Fax +852 2895 3752
www.crowehorwath.hk

Our Ref.: VC/SWU/1306/2016

Date: 20 July 2016

Chuang's Consortium International Limited

25th Floor, Alexandra House

18 Chater Road, Central

Hong Kong

Dear Sirs,

RE: Valuation of Level 1 to Level 3, Peng Building, No. 1118 Wenjin North Road, Luohu District, Shenzhen, the People's Republic of China (the "PRC")

In accordance with an instruction for us to value the above property interests to be acquired by a subsidiary of **Chuang's Consortium International Limited** (the "Company") with details stated in the valuation certificate attached, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the capital value of such property interests as at **15 June 2016** (the "Date of Valuation") for public circular purpose.

Our valuation is carried out on a Market Value basis, which is defined as "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion".

This valuation is complied with The HKIS Valuation Standards published by the Hong Kong Institute of Surveyors ("HKIS"), the RICS Valuation — Professional Standards published by the Royal Institution of Chartered Surveyors ("RICS"), the International Valuation Standards ("IVS") published by the International Valuation Standards Council and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We have also complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Unless otherwise stated, our valuation has been made on the assumption that the owner sells the property on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the value of the property interests.

The property interests are subject to a rental guarantee undertaking. Considering the guaranteed rental amount as well as the comparatively short guarantee term, we consider the undertaking has no material effect to the value conclusion.

No allowance has been made in our valuation neither for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free of encumbrances, restrictions and outgoings of onerous nature which could affect the value.

We have valued the property interests by the direct comparison approach under the assumption that sale of each of these property interests in its existing state with the benefit of vacant possession. The property interests valued by the comparison approach consist of comparisons based on prices realized or current asking prices of comparable properties. Comparable properties of similar size, character and location are selected and then analyzed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

In the course of our valuation, we have relied on the legal opinion provided by the Company’s PRC legal adviser, JunZeJun Law Offices, and have been provided with certain title documents relating to such property interests by the Company. We have not, however, searched the original documents to verify ownership or any amendment which did not appear on the copies handed to us. All documents have been used for reference only. We have relied to a considerable extent on information given by the Company, in particular, but not limited to, planning approvals, statutory notices, easements, occupancy/tenancies, floor and site areas, etc.. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries.

Site inspection of the property was carried out by Ms. Josephine Yue in May 2016. The staff responsible for the inspection has over two years of valuation experience in the real estate sector in the PRC. We have inspected the exterior and certain common parts of the subject property. We have not inspected those parts of the property which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

In the course of our inspection, we did not notice any serious defects. However, we have not carried out any structural survey or any tests on the building services. Therefore, we are not able to report whether the property is free of rot, infestation or any other structural defects. We have not carried out investigations on the site to determine the suitability of the ground conditions, the services, etc. for any future development. We have not carried out any investigation into past or present uses, either of the property or of any neighboring land, to establish whether there is any contamination or potential for contamination to the property from these uses or sites, and have therefore assumed that none exists.

Unless otherwise stated, we have assumed that transferable land use rights of the property for respective specific terms at nominal annual land use fees have been granted and that any land grant premium payables have already been fully paid. Unless otherwise stated, we have also assumed that the existing owner has enforceable titles to the property and has free and uninterrupted rights to occupy, use, transfer, lease or assign the property for the whole of the respective unexpired terms as granted.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

The monetary amounts are stated in either Hong Kong Dollars (“HK\$”) or Renminbi (“RMB”). We have adopted an exchange rate of RMB1.00 = HK\$1.18.

Our findings or conclusion of value of the property in this report are valid only for the stated purpose and at the Date of Valuation, and for the sole use of the Company. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and the valuer accepts no responsibility whatsoever to any other person.

We enclose herewith our valuation certificate.

Yours faithfully,

For and on behalf of
Crowe Horwath (HK) Consulting & Valuation Limited
Leo M Y Lo MRICS MHKIS
Director

Note: Mr. Leo M Y Lo is a member of The Royal Institution of Chartered Surveyors, member of the Hong Kong Institute of Surveyors and a qualified valuer who has over 12 years of experience in valuation of properties in Hong Kong and the People’s Republic of China.

VALUATION CERTIFICATE

Property	Description and tenure	Occupancy details	Market Value as at 15 June 2016
Levels 1 to 3 (1st to 3rd Floors), Peng Building (鵬大廈), No. 1118 Wenjin North Road, Luohu District, Shenzhen, the PRC	<p>Peng Building is a mixed-use commercial building, which occupies a site area of approximately 4,103.22 sq. m., comprising retail, office and hotel, car parking spaces and ancillary facilities. According to the information provided by the Company, the gross floor area of whole building is approximately 22,653.14 sq. m..</p> <p>The subject property comprises a retail portion of the building on Levels 1 to 3 with a total gross floor area of 5,317.8 sq. m., with a breakdown of 1,140.93 sq. m., 1,953.93 sq. m. and 2,222.93 sq. m. for Levels 1, 2 and 3 respectively.</p> <p>The building was completed in 2009.</p> <p>The land use rights of the property site have been granted to Shenzhen Cheung Kei Real Estate Development Company Limited for a term of 70 years expiring on 18 April 2065 for residential and commercial uses.</p>	<p>Upon our inspection, the property was occupied by various jewelry retailers generally.</p> <p>The property is currently leased together with other floors of the same building under one tenancy agreement expiring in August 2023.</p> <p>As advised by the Company, the property will be sold subject to a rental guarantee for 36 months with a monthly rental not less than HK\$1.8 million or its RMB equivalent.</p> <p>Upon the request of the Company, vacant possession of the property will be delivered to the Company at the third anniversary of the property transfer date.</p>	<p>HK\$420,000,000 (HONG KONG DOLLARS FOUR HUNDRED TWENTY MILLION)</p>

Notes:

- (a) Pursuant to a Reality Title Certificate (No. Shen Fang Di Zi 2000487792) issued by Shenzhen City Land Resources Bureau, the land use rights of the property have been granted to Shenzhen Cheung Kei Real Estate Development Company Limited (深圳祥祺房地產開發有限公司). The details are summarized as below:
- Property Name: Level 1 of Peng Building “鵬大廈1層” (Remarks: Including Levels 1, 2 and 3)
 - Floor Area: 5,317.8 sq. m. (Gross) or 4,252.02 sq. m. (Net)
 - Usage: Commercial
 - Completion Date: 21 September 2009
- (b) We have been provided with a legal opinion on the property prepared by the Company’s PRC legal adviser, which contains, inter alia, the following information:
- (i) the property is registered in accordance with the relevant laws with the registration no. 2000487792. The registered owner of the property is Shenzhen Cheung Kei Real Estate Development Company Limited (“Shenzhen Cheung Kei”);
 - (ii) level 1 of the property is subject to a mortgage by Shenzhen Cheung Kei in favour of Shenzhen branch of Nanyang Commercial Bank (China) Limited;

- (iii) upon the mortgage fully repaid and the ownership of the property transferred to a buyer, the new owner would have the rights to transfer the property; and
- (iv) the land use rights of the property are 70 years from 19 April 1995 to 18 April 2065.

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 or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which 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 to the Listing Rules (“**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in the Company

Name	Nature of interest	Number of Shares	Percentage of shareholding
Mr. Alan Chuang Shaw Swee (“ Mr. Alan Chuang ”)	<i>Note 1</i>	935,237,404	55.57%
Mr. Albert Chuang Ka Pun	Beneficial owner	1,299,678	0.08%

(b) Interest in Chuang’s China Investments Limited (“**Chuang’s China**”)

Name	Nature of interest	Number of shares	Percentage of shareholding
Mr. Alan Chuang	<i>Notes 2 & 5</i>	1,361,804,923	56.00%
Mrs. Candy Kotewall Chuang Ka Wai	Beneficial owner	1,255,004	0.05%

(c) Interest in Midas International Holdings Limited (“Midas”)

Name	Nature of interest	Number of shares	Percentage of shareholding
Mr. Alan Chuang	Notes 3 & 5	2,013,573,887	60.82%
Mr. Abraham Shek Lai Him	Beneficial owner	30,000	0.0009%

(d) Interest in Treasure Auctioneer International Limited (“Treasure”)

Name	Nature of interest	Number of shares	Percentage of shareholding
Mr. Alan Chuang	Notes 4 & 5	800,000	80.00%

Note 1: Such interests comprised 727,629,332 Shares owned by Evergain Holdings Limited (“**Evergain**”), a company beneficially owned by Mr. Alan Chuang, and the remaining interests arose as a result of Mr. Alan Chuang being a discretionary object of a discretionary trust, the trustee of which held 207,608,072 Shares. Mr. Alan Chuang, Mr. Albert Chuang Ka Pun, Mrs. Candy Kotewall Chuang Ka Wai and Mr. Chong Ka Fung are directors of Evergain.

Note 2: Such interests are held by Profit Stability Investments Limited, a wholly-owned subsidiary of the Company.

Note 3: Such interests are held by Gold Throne Finance Limited, a wholly-owned subsidiary of the Company.

Note 4: Such interests comprised 550,000 shares in Treasure owned by a corporation beneficially owned by Mr. Alan Chuang and 250,000 shares in Treasure beneficially owned by a wholly-owned subsidiary of Chuang’s China. Chuang’s China is a subsidiary of the Company.

Note 5: Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of the Company.

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 or 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 interest of substantial shareholders in other members 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 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 issued voting shares of any other member of the Group or had any option in respect of such capital:

(a) Long positions in the Shares

Name	Nature of interest	Number of Shares	Percentage of shareholding
Evergain	Beneficial owner, <i>Note 1</i>	727,629,332	43.24%
Mrs. Chong Ho Pik Yu	<i>Note 2</i>	727,629,332	43.24%
Madam Chuang Shau Har	<i>Note 3</i>	208,353,709	12.38%
Mr. Lee Sai Wai	<i>Note 4</i>	208,353,709	12.38%

Notes:

1. Evergain is beneficially owned by Mr. Alan Chuang.
2. Such interests arose by attribution through her spouse, Mr. Alan Chuang.
3. Interests in 207,608,072 Shares arose as a result of Madam Chuang Shau Har being the trustee and a discretionary object of a discretionary trust which owned such Shares. The remaining interests in 745,637 Shares arose by attribution through her spouse, Mr. Lee Sai Wai.
4. Interests in 207,608,072 Shares arose by attribution through his spouse, Madam Chuang Shau Har, whose interests have been mentioned in Note 3 above. The remaining interests in 745,637 Shares are beneficially owned by Mr. Lee Sai Wai.

(b) 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 Edelweiss LLC	Edelweiss Hotel LLC	47%
Sintex Nylon And Cotton Products (Pte) Limited	Mr. Cheung Loon Hoi	11.8%
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%
Profitable Industries Limited	China Utilities Limited	12.5%

* *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 or 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 issued voting shares of any 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 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 within 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. Alan Chuang holds equity interests and directorships in, and Mr. Albert Chuang Ka Pun, Mrs. Candy Kotewall Chuang Ka Wai and Mr. Chong Ka Fung hold directorships in, certain private companies which are engaged in the businesses of luxurious residential property investment 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 opinion in this circular is as follows:

Name	Qualification
PricewaterhouseCoopers Colliers International (Hong Kong) Limited (“ Colliers ”)	Certified Public Accountants Professional surveyor and valuer
Crowe Horwath (HK) Consulting & Valuation Limited (“ Crowe Horwath ”)	Professional surveyor and valuer

As at the Latest Practicable Date, each of PricewaterhouseCoopers, Colliers and Crowe Horwath 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, Colliers and Crowe Horwath 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 Chuang's China Realty Limited ("CCRL"), a wholly-owned subsidiary of Chuang's China, Chuang's China, Dah Hua Printing Press Company Limited ("Dah Hua"), a wholly-owned subsidiary of Midas, and Midas for the acquisition by CCRL 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 announcement of the Company dated 21 April 2015. Both Chuang's China and Midas are non-wholly-owned subsidiaries of the Group;
- (b) the irrevocable undertaking dated 17 March 2016 granted by Profit Stability Investments Limited ("PSIL"), a wholly-owned subsidiary of the Company, in favour of Chuang's China under which PSIL agreed, amongst other things, to accept and subscribe for in full of its entitlement under a rights issue of Chuang's China (being 453,934,974 rights shares of Chuang's China at HK\$0.28 per Chuang's China rights share), details of which were set out in the announcement of the Company dated 17 March 2016;
- (c) the agreement dated 24 March 2016 entered into between Chuang's Credit Limited ("CCL"), an indirect wholly-owned subsidiary of the Company, and Ever Turbo Investment Limited ("ETIL") for the provision of financial assistance by CCL to ETIL in the amount of HK\$157 million for the purpose of financing ETIL to complete the acquisition of a property from the Group, details of which were set out in the announcement of the Company dated 24 March 2016; and
- (d) 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 Standard Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, 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 Deacons at 5th 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 and 2015 and the published final results announcement of the Company for the year ended 31 March 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 Colliers in relation to the Property, the text of which is set out in Appendix V to this circular;
- (e) the valuation report prepared by Crowe Horwath in relation to the PRC Property, the text of which is set out in Appendix VI to this circular;
- (f) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (g) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix; and
- (h) this circular.



Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Chuang's Consortium International Limited ("**Company**") will be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Monday, 8 August 2016 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

"THAT:

- (A) the conditional sale and purchase agreement dated 9 June 2016 ("**SP Agreement**") entered into amongst Romantic Ltd ("**Vendor**"), Chen Family Assets Management Company Limited ("**Purchaser**"), the Company (as guarantor of the Vendor) and Mr. Chen Hong Tian (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 of the entire issued share capital of Chateau 15 Investments 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 HK\$2,100,000,000 (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**") be and is hereby authorised to execute such all other documents, to do all other acts and things 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 (including any variation, amendments or waiver

NOTICE OF SGM

of such documents or any terms thereof, which are not fundamentally different from those as provided in the SP Agreement) 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 of
Chuang's Consortium International Limited
Lee Wai Ching
Company Secretary

Hong Kong, 20 July 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 Standard Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, 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.