
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 dealers or registered institutions in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Moiselle International Holdings Limited** (慕詩國際集團有限公司), you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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MOISELLE
MOISELLE INTERNATIONAL HOLDINGS LIMITED
慕詩國際集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 130)

MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF PROPERTY

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 4 to 8 of this circular.

The Disposal has been approved by written shareholders’ approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

25 August 2021

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DEFINITIONS

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

“Agent”	A Land Property Limited;
“Announcement”	the announcement of the Company dated 18 June 2021 in relation to the Disposal;
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Moiselle International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange with the stock code of 130;
“Completion”	the completion of the Disposal, being on or before 18 August 2021;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Consideration”	the total consideration of HK\$30,000,000.00 payable by the Purchaser for the Disposal;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Disposal”	the sale of the Property by the Vendor to the Purchaser pursuant to the terms of the Provisional Agreement;
“Formal Agreement”	the formal agreement for the sale and purchase dated 5 July 2021 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Property, the major terms therein are in line with and have no material difference from the terms in the Provisional Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong;

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Property Valuer”	Centaline Surveyors Limited, an independent professional valuer appointed by the Company for the purpose of the Disposal;
“Independent Third Party(ies)”	any person(s) or company(ies) who is/are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and the connected persons of the Company (as defined under the Listing Rules);
“Latest Practicable Date”	24 August 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Chan”	Mr. Chan Yum Kit;
“Ms. Tsui”	Ms. Tsui How Kiu, Shirley;
“Property”	Workshop No. 3 on 13th Floor Including Store Room, Kodak House II, No. 39 Healthy Street East, Hong Kong;
“Provisional Agreement”	the provisional agreement for sale and purchase dated 18 June 2021 entered into between the Agent, the Vendor and the Purchaser in respect of the sale and purchase of the Property pursuant to which the Vendor has agreed to sell the Property to the Purchaser for a consideration of HK\$30,000,000.00;
“Purchaser”	Mr. Liao Yi Kang Philip, a Hong Kong citizen and an Independent Third Party;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;

DEFINITIONS

“Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“Vendor”

Boo Gie Garment Factory Limited, a wholly-owned subsidiary of the Group incorporated in Hong Kong with limited liability; and

“%”

per cent.

LETTER FROM THE BOARD

MOISELLE
MOISELLE INTERNATIONAL HOLDINGS LIMITED
慕詩國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 130)

Executive Directors:

Mr. Chan Yum Kit (*Chairman*)
Ms. Tsui How Kiu, Shirley
Mr. Chan Sze Chun

Independent non-executive Directors:

Ms. Yu Yuk Ying, Vivian
Mr. Chu Chun Kit, Sidney
Ms. Wong Shuk Ying, Helen

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head Office and Principal place
of business in Hong Kong:*

Units 1–5, 11th Floor
Kodak House 2
39 Healthy Street East
North Point
Hong Kong

25 August 2021

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF PROPERTY

INTRODUCTION

Reference is made to the Announcement.

The Board announced that on 18 June 2021 (after trading hours), the Vendor, a wholly-owned subsidiary of the Group, entered into the Provisional Agreement with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property for a consideration of HK\$30,000,000.00. The Formal Agreement was entered into between the parties on 5 July 2021 (after trading hours).

The Disposal constitutes a major transaction for the Company under the Listing Rules.

LETTER FROM THE BOARD

As the Company has received a written Shareholder's approval from (i) Super Result Consultants Limited which is beneficially owned by Mr. Chan and Ms. Tsui as to 46.7% and 46.7% respectively, (ii) New First Investments Limited which is beneficially owned by Mr. Chan and Ms. Tsui as to 50% and 50% respectively, (iii) Mr. Chan and (iv) Ms. Tsui, being the controlling shareholders of the Company who are collectively interested in 197,816,000 Shares (representing approximately 68.70% of the issued share capital of the Company) as at the Latest Practicable Date (since Mr. Chan and Ms. Tsui are married to each other, Mr. Chan will be deemed interested in the Shares which Ms. Tsui is deemed interested in as family interest, and vice versa by virtue of the SFO), approving the Disposal pursuant to Rule 14.44(2) of the Listing Rules, the Company will not convene any general meeting to approve the Disposal. The purpose of this circular is to provide you with the information relating to, among other things, further details of the Disposal together with other information as required under the Listing Rules.

THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are set out below.

Date

18 June 2021 (after trading hours)

Parties

Vendor : Boo Gie Garment Factory Limited, a wholly-owned subsidiary of the Group incorporated in Hong Kong with limited liability

Purchaser : Mr. Liao Yi Kang Philip, a Hong Kong citizen and an Independent Third Party

Agent : A Land Property Limited

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is an Independent Third Party and the Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Property to be disposed of

The Property is located at Workshop No. 3 on 13th Floor Including Store Room, Kodak House II, No. 39 Healthy Street East, Hong Kong. The Property has a saleable area of approximately 2,250 square feet. The Property is to be sold to the Purchaser on an "as is" basis.

LETTER FROM THE BOARD

Consideration

The Consideration is HK\$30,000,000.00, which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) HK\$1,500,000.00 shall be paid upon signing of the Provisional Agreement as initial deposit;
- (b) HK\$1,500,000.00 shall be paid on or before 5 July 2021 as further deposit; and
- (c) the balance in the sum of HK\$27,000,000.00 shall be paid in full upon the Completion.

On 18 June 2021, the Vendor received HK\$1,500,000.00 from the Purchaser. On 5 July 2021, a further HK\$1,500,000.00 was received by the Vendor's solicitors as stakeholders pursuant to the Formal Agreement. On 18 August 2021, the balance in the sum of HK\$27,000,000.00 was fully paid by the Purchaser.

Pursuant to the Provisional Agreement, the Agent shall be entitled to receive a commission in the amount of HK\$240,000.00 from the Vendor and HK\$150,000.00 from the Purchaser no later than 18 August 2021.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the preliminary valuation of the Property made by the Independent Property Valuer as at 31 March 2021 of approximately HK\$29,700,000.00 in respect of the Property and the market value of comparable properties in Hong Kong. There is no significant difference between the preliminary valuation of the Property and the final valuation report dated 30 June 2021 prepared by the Independent Property Valuer as annexed to this circular as Appendix II wherein the valuation of the Property as at 18 June 2021 is approximately HK\$29,800,000.00.

Stamp duty

All ad valorem stamp duty shall be borne by the Purchaser.

Formal Agreement

The Formal Agreement for sale and purchase of the Property has been entered into between the Vendor and the Purchaser on 5 July 2021.

Completion

Completion took place on 18 August 2021. Upon Completion, the Vendor delivered vacant possession of the Property to the Purchaser.

LETTER FROM THE BOARD

INFORMATION OF THE PARTIES

The Group is principally engaged in the design and development, manufacture, retail and wholesale of various lines of fashion apparel and accessories.

Based on the information provided by the Purchaser, the Purchaser is a merchant.

The Agent is a company incorporated in Hong Kong and operates property agencies in Hong Kong.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board has been assessing the property market in Hong Kong and reviewing the Group's options over the Property as held by the Group. Previously, the Property was used by the Vendor for the Group's auxiliary business purposes. Having considered that the Property is not essential for the Group's future operations, the Disposal will not have a material adverse effect on the Group's operations. The Board therefore believes that the Disposal represents a good opportunity for the Company to realise its investment in the Property at an attractive return, thus increasing the Group's working capital and cash flow.

The Board considers the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS ON THE GROUP AND INTENDED USE OF PROCEEDS

The carrying value of the Property as shown in the unaudited consolidated accounts of the Company as at 31 May 2021 was approximately HK\$29,587,000 given that the Property is for own use and according to the Group's accounting policies, the land held for own use and buildings thereon are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation. The Group is expected to record a book gain of approximately HK\$143,000 from the Disposal, being the difference between the Consideration and the carrying value of the Property as at 31 May 2021 after related expenses.

It is estimated that the net proceeds from the Disposal (after deduction of agency fees, legal fees and ancillary expenses) would be approximately HK\$29,730,000. The Group intends to use the net sale proceeds from the Disposal as general working capital or for future investment opportunities should such opportunities arise.

Save as disclosed above, the Disposal will not have any material adverse impact on the earnings and assets and liabilities of the Group.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS OF THE DISPOSAL

As one of the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and is required to abstain from voting for the resolution to approve the Disposal, should the Disposal be put forward to the shareholders to approve at a general meeting of the Company. Accordingly, (i) 190,000,000 Shares held by Super Result Consultants Limited, which is beneficially owned by Mr. Chan and Ms. Tsui as to 46.7% and 46.7% respectively; (ii) 3,616,000 Shares held by New First Investments Limited which is beneficially owned by Mr. Chan and Ms. Tsui as to 50% and 50% respectively; (iii) 2,100,000 Shares which are beneficially owned by Mr. Chan; and (iv) 2,100,000 Shares which are beneficially owned by Ms. Tsui, collectively representing approximately 68.70% of the issued share capital of the Company as at the date of the Latest Practicable Date (since Mr. Chan and Ms. Tsui are married to each other, Mr. Chan will be deemed interested in the Shares which Ms. Tsui is deemed interested in as family interest, and vice versa by virtue of the SFO), has approved the Disposal by a written shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company. Thus, Mr. Chan and Ms. Tsui, together with their relevant controlled corporations, are a "closely allied group of shareholders" under Rule 14.45.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Disposal is fair and reasonable and are in the interests of the Company and the Shareholders as a whole and would recommend the Shareholders to vote in favour of the Disposal if it had been necessary to hold a general meeting for such purpose.

ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
Moiselle International Holdings Limited
Chan Yum Kit
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the published audited consolidated financial statements of the Group for each of the three years ended 31 March 2019, 2020 and 2021 were disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://ir.moiselle.com.hk/en/financial-report/annualinterim-report/>).

- Annual report of the Company for the year ended 31 March 2019 (pages 59 to 164); <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0723/ltn20190723421.pdf>
- Annual report of the Company for the year ended 31 March 2020 (pages 54 to 168); <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0813/2020081300777.pdf>
- Annual report of the Company for the year ended 31 March 2021 (pages 57 to 176); <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0728/2021072800872.pdf>

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

Borrowings

At the close of business on 30 June 2021, being the latest practicable date prior to the printing of this circular and for the purpose of this indebtedness statement, the Group had the following liabilities:

	<i>HK\$'000</i>
Bank overdrafts	4,336
Trust receipt loans	3,475
Term loans	5,352
Other short-term bank borrowings	51,100
	<hr/>
	64,263
	<hr/> <hr/>

All the above bank borrowings were secured by legal charges over land and buildings held for own use and investment properties of the Group and guaranteed by the Company.

The above variable-rate bank borrowings are subject to the fulfilment of certain covenants relating to the financial position ratios of a Company's subsidiary and the Group. Mr. Chan and Ms. Tsui shall remain as the Directors and the largest shareholder of the Company. If the Group were to breach the covenants, the above secured bank borrowings would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2021, none of the covenants relating to the secured bank borrowings had been breached.

Lease liabilities

As at 30 June 2021, all lease liabilities amounted to HK\$63,851,000 were secured by rental deposits and unguaranteed.

Others

Save as disclosed above, the Group had no debt securities issued and outstanding, neither authorized nor otherwise created but unissued, and had no other term loans, no matter guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) or unsecured.

The Group had no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) nor acceptance credits or hire purchase commitments, no matter guaranteed, unguaranteed, secured or unsecured borrowings and debt.

Save as disclosed above, the Group had no other mortgages and charges.

Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2021.

3. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group principally engages in the design, manufacture, retailing and wholesales of fashion apparel and accessories.

It is believed that the overall retail market in Hong Kong has already bottomed out as the COVID-19 pandemic has shown signs of abating. However, a recovery in the market is expected to be slow in the financial year ending 31 March 2022. Therefore, the Group will continue with its prudent approach to business development so as to get through the very difficult operating environment. The Disposal will enable the Group, by disposing a non-essential property for the Group's future operations, to recover funds and increase the Group's working capital and cash inflow.

The Group will continue with its effort to reposition its major house brand *MOISELLE* so as to cope with the future changes in the fashion apparel market. In addition, the Group will continue to manage its costs and expenses level and to enhance the performance of its retail stores in various markets, as well as to aim at best utilising the financial resources of the Group for its business development.

4. SUFFICIENCY OF WORKING CAPITAL

The effect of the Disposal on the working capital of the Group is the availability of increased fund for the Group's operations and the increase in the level of the Group's working capital sufficiency.

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the Disposal and the financial resources available to the Group, including internal resources, the net proceeds to be received from the Disposal and the existing credit facilities available, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position or prospects of the Group since 31 March 2021, being the date to which the latest published audited financial statements of the Group were made.

The following is the text of a valuation report, prepared for the purpose of incorporation in this circular received from Centaline Surveyors Limited, an independent professional surveyor, in connection with its valuation as at 30 June 2021 of the Property to be disposed by Moisselle International Holdings Limited.

7/F., Greenwich Centre
260 King's Road
North Point
Hong Kong

30 June 2021

The Board of Directors
Moisselle International Holdings Limited
Units 1–5, 11th Floor
Kodak House II
No. 39 Healthy Street East
North Point
Hong Kong

Dear Sirs,

**RE: VALUATION CERTIFICATE OF WORKSHOP NO. 3 ON 13TH FLOOR,
INCLUDING STORE ROOM, KODAK HOUSE II, NO. 39 HEALTHY STREET EAST,
HONG KONG FOR MOISELLE INTERNATIONAL HOLDINGS LIMITED**

We refer to your instruction for us to value the captioned property (hereinafter referred to as the “**Property**”). 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 market value of the Property as at 18 June 2021.

BASIS OF VALUATION

Our valuation of the Property has been based on the Market Value which in accordance with the Valuation Standards on Properties of the Hong Kong Institute of Surveyors is defined as “the estimated amount for which an asset or liability should exchange on valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

VALUATION ASSUMPTIONS

Our valuation has been made on the assumptions that the Property is sold in the open market value without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect its value. In addition, no account has been taken of any option or right of pre-emption concerning or effecting the sale of the Property and no forced sale situation in any manner is assumed in our valuation.

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

VALUATION METHODOLOGY

In valuing the Property, we have valued the Property by using Direct Comparison Approach assuming sale of the Property in its existing state by making reference to comparable sales evidence as available in the relevant market.

TITLE INVESTIGATION

We have caused searches to be made at the Land Registry. However, we have not searched the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the information handed to us. All documents and leases have been used for reference only and all dimensions, measurements and areas are only approximate. No on-site measurement has been taken to verify the correctness of the site area of the Property.

LIMITING CONDITIONS

We have inspected the exterior and, where possible, the interior of the Property. However, we have not carried out investigations on site to determine the suitability of the ground conditions and services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delay will be incurred during the construction period. Moreover, no structural survey however has been made, but in the course of our valuation, 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 to any of the services. Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Property and we have assumed that the areas shown on the documents handed to us are correct.

VALUATION CONSIDERATIONS

In valuing the Property, we have complied with the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the Valuation Standards (Edition 2020) on Valuation of Properties published by The Hong Kong Institute of Surveyors.

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
CENTALINE SURVEYORS LIMITED

Pamela W.I. Lam
Chartered Valuation Surveyor
MRICS MHKIS RPS (GP)
Director

Note: Ms. Pamela W. I. Lam is a Chartered Surveyor who has over 20 years' experience in the valuation of properties in Hong Kong.

VALUATION CERTIFICATE

Property held by the group in Hong Kong for self-occupation purpose

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2021 (Preliminary Valuation)	Market Value in Existing State as at 18 June 2021
Workshop No. 3 on 13th Floor Including Store Room, Kodak House II, No. 39 Healthy Street East, Hong Kong	The Property comprises one workshop and one store room on 13th floor of an industrial building of 23 storeys over 4 storeys of parking floors. The building was completed in 1992.	The Property is currently owner-occupied.	HK\$29,700,000.00 (HONG KONG DOLLARS TWENTY NINE MILLION AND SEVEN HUNDRED THOUSAND ONLY)	HK\$29,800,000.00 (HONG KONG DOLLARS TWENTY NINE MILLION AND EIGHT HUNDRED THOUSAND ONLY)
351/100,000th equal and undivided shares of and in The Remaining Portion of Marine Lot No. 705 and the Extension Thereto.	By scaling off the registered floor plan, the saleable area of the Property is about 2,250 sq. ft. The Property is held under Government Lease for a term of 999 years from 25th December 1869 with a Government Rent of HK\$2,636.00 per annum for the whole lot.			

Notes:

1. The registered owner of the Property is Boo Gie Garment Factory Limited 寶琪時裝批發有限公司 vide Memorial No. 15021301500327 dated 27 January 2015.
2. The Property is subject to the following encumbrances:
 - (i) Occupation Permit No. H162/92 vide Memorial No. UB5539270 dated 31 December 1992.
 - (ii) Deed of Mutual Covenant vide Memorial No. UB5576850 dated 28 January 1993.
 - (iii) Management Agreement in favour of Kai Shing Management Services Limited "The Manager" vide Memorial No. UB5576851 dated 28 January 1993.
 - (iv) Sub-deed of Mutual Covenant vide Memorial No. UB5576852 dated 28 January 1993.
 - (v) Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited vide Memorial No. 1506030160093 dated 26 May 2015.
3. The Property is zoned under the Approved North Point Outline Zoning Plan No. S/H8/26 for "Commercial" purposes.
4. The inspection was undertaken by Mr. Joe X. Zhao, on 25 June 2021 under the supervision of the Qualified Valuer, Ms. Pamela W. I. Lam, in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On-site inspections were carried out at the subject building and the surrounding area for the investigation of the physical attributes of the building and the nature of the locality. The Property was not available for our inspection and the external condition of the subject building was seen to be reasonably fair.

Mr. Joe X. Zhao is currently a valuer of this professional practice and probationer in the General Practice Division of The Royal Institution of Chartered Surveyors.

5. In undertaking our valuation of the Property, we have analysed the registered transactions of industrial properties in the district of North Point in the past 12 months and industrial properties in the same development (i.e. Kodak House II) in the past 60 months and have adopted a total of 7 registered transactions of industrial properties of similar attributes (e.g. size, view, floor level, building quality and age, location, etc.) as comparables. Based on the reasons stated in paragraph 6 below, we are of the view that the adopted comparables tabulated below are fair and reasonable.
6. A total of 7 transactions were adopted as comparables based on the above-mentioned selection criteria, 4 in Sea View Estate and 3 in Kodak House II. Sea View Estate is a flatted factory building located within around 2 km from Kodak House II, of which the immediate locality, similar to that of Kodak House II, is a business area near the northern seafront of the district, predominated by various high-rise commercial towers for office and hotel purposes along Electric Road. The location attributes of the two developments were considered to be similar in terms of absolute position, business environment and accessibility of private vehicles and public transportations. By analysing the historical transactions in the two developments of the same period, their overall unit rates were found to be on par with each other. Based on the above, the recent transactions of Sea View Estate were considered to be comparable to the subject property in Kodak House II.

The latest transaction dated 10 May 2021 in Kodak House II was the only one transaction available in the development within the 36 months before the date of valuation (i.e. 18 June 2021). The unit rate of the transaction is about HK\$10,119 per sq. ft., which is considered to be lower than the normal market level based on our experience and relevant research even after reasonable adjustments, but no sign of internal transaction between related parties was found after company searches for the vendor and the purchaser. As the transaction was the most recent one and was not a perceptible internal transaction, it was still adopted as a comparable for our analysis, but in order to mitigate the risk of the potential outlier, two more transactions dated 15 June 2018 and 8 November 2017 respectively of similar units in Kodak House II were adopted. According to the price indices of private flatted factories published by the Rating and Valuation Department, the overall price changes for the periods from June 2018 and from November 2017 to the latest April 2021 were both within the range of -5%–5%, and such price difference is considered to be fair for us to adopt such transactions as comparables with reasonable time adjustments.

Details of the adopted comparables are tabulated below:

Date of Transaction	Property Address	Consideration (HK\$)	Saleable Area (sq. ft.)	Unit Rate on Saleable Area (HK\$ per sq. ft.)
10/05/2021	Unit No. 12, 12/F, Block B, Sea View Estate, Nos. 4–6 Watson Road	13,000,000	944	13,771
10/05/2021	Workshop No. 7 on 19/F Including Store Room, Kodak House II, No. 39 Healthy Street East	34,880,000	3,447	10,119
11/02/2021	Unit 1209, 12/F, Block B, Sea View Estate, Nos. 4–6 Watson Road	12,000,000	944	12,712

Date of Transaction	Property Address	Consideration (HK\$)	Saleable Area (sq. ft.)	Unit Rate on Saleable Area (HK\$ per sq. ft.)
21/12/2020	Unit No. 301A, 12/F, Block B, Sea View Estate, Nos. 4-6 Watson Road	12,000,000	994	12,072
09/12/2020	Unit Nos. 1 & 2, 14/F, Block A, Sea View Estate, No. 2 Watson Road	25,000,000	1,901	13,151
15/06/2018	Workshop No. 6, 13/F, Kodak House II, No. 39 Healthy Street East	42,048,000	3,120	13,477
08/11/2017	Workshop No. 2, 19/F, Kodak House II, No. 39 Healthy Street East	26,533,000	2,010	13,201

7. The unit rates on saleable area of the comparables range from HK\$10,119 to HK\$13,771 per sq. ft. In our valuation, we have considered the different attributes between the Property and the comparables in terms of transaction time, size, floor, ceiling height, view, building quality, building age and location and have made adjustments accordingly.
8. In applying adjustments to the comparables, if a comparable is superior to the Property in terms of the abovementioned attributes, a downward adjustment would be made to the unit rate of the comparable to offset the likely price difference caused by such superiority, and vice versa. The average adjusted unit rates of the comparables arrive at a saleable unit rate of approximately HK\$13,232 per sq. ft. for the Property.

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 enquires, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executives of the Company and its associated corporations

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 and its associated corporations (within the meaning of Part XV of the SFO), which are 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 for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions

Name of Director	Capacity in which interests are held	Number of Shares/ underlying Shares in the Company	Total interests as to % of the issued share capital of the Company as at the Latest Practicable Date
Mr. Chan	Corporate/Family	193,616,000	67.24%
	Family	2,100,000	0.73%
	Personal	2,100,000	0.73%
	<i>(Notes (1) and (2))</i>		
Ms. Tsui	Corporate/Family	193,616,000	67.24%
	Family	2,100,000	0.73%
	Personal	2,100,000	0.73%
	<i>(Notes (1) and (2))</i>		
Mr. Chan Sze Chun	Personal	900,000	0.31%
Ms. Wong Shuk Ying, Helen	Personal	28,000	0.01%

Notes:

1. 190,000,000 of these Shares are held by Super Result Consultants Limited (“**Super Result**”). The share capital of Super Result is beneficially owned by Mr. Chan and Ms. Tsui as to 46.7% and 46.7% respectively. Each of Mr. Chan and Ms. Tsui will therefore be deemed interested in the 190,000,000 Shares held by Super Result as corporate interest.

3,616,000 of these Shares are held by New First Investments Limited (“**New First**”). The share capital of New First is beneficially owned by Mr. Chan and Ms. Tsui as to 50% and 50% respectively. Each of Mr. Chan and Ms. Tsui will therefore be deemed interested in the 3,616,000 Shares held by New First as corporate interest.

2. Since Mr. Chan and Ms. Tsui are married to each other, Mr. Chan will be deemed interested in the Shares which Ms. Tsui is deemed interested in as family interest, and vice versa.

In addition to the above, one director has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Group. Certain director also has beneficial interest in non-voting deferred shares practically carrying no rights to dividends or to receive notice of or to attend or vote at any general meeting or to participate in any distribution or winding up in a subsidiary.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are 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 in the Listing Rules to be notified to the Company and the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

(b) Interests of substantial Shareholders

As at the Latest Practicable Date, according to the register kept by the Company under section 336 of the SFO, the persons other than a Director or chief executive of the Company who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of Shareholder	Capacity in which interests are held	Number of Shares	Interests as to % of the issued share capital of the Company as at the Latest Practicable Date
Super Result	Beneficial owner	190,000,000	65.99% (Note)

Note: The share capital of Super Result is beneficially owned by Mr. Chan and Ms. Tsui as to 46.7% and 46.7% respectively.

Save as disclosed above, the Directors and the chief executive of the Company were not aware that there was any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any options in respect of such capital.

Save for Mr. Chan and Ms. Tsui, who are directors of Super Result, none of the Directors is a director or employee of a company which has an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective associates had engaged in any business that competes or may compete, either directly or indirectly, with the business of the Group or has or may have any other conflict of interests with the Group, as required to be disclosed pursuant to the Listing Rules.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or determinable by the Company within one year without payment of compensation (other than statutory compensation).

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

As at the Latest Practicable Date, to the best of the knowledge of the Directors, none of the Directors had any direct or indirect interest in any asset which had been, since 31 March 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group. None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

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

- (i) the Provisional Agreement;
- (ii) the Formal Agreement; and
- (iii) the preliminary sale and purchase agreement dated 2 August 2021 and the formal agreement for sale and purchase dated 16 August 2021, entered into between the Vendor as the vendor and Maxsheen Development Limited, a company incorporated in Hong Kong with limited liability, as the purchaser in relation to Workshop No. 6 on 10th Floor, Kodak House II, No. 39 Healthy Street East, Hong Kong.

8. EXPERTS AND CONSENTS

Centaline Surveyors Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report(s) and/or letter(s) and/or opinion(s) and/or valuation certificate(s) and references to its name in the form and context in which it appears.

The following is the qualification of the expert who has given its opinions or advices which are contained in this circular:

Name	Qualification
Centaline Surveyors Limited	An independent professional property valuer

As at the Latest Practicable Date, the above expert:

- (i) was not beneficially interested in the share capital of any member of the Group;
- (ii) did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group; and
- (iii) did not have any interest, either directly or indirectly, in any assets which had been acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2021 (being the date to which the latest published audited accounts of the Company were made up).

9. MISCELLANEOUS

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is located at Units 1–5, 11th Floor, Kodak House 2, 39 Healthy Street East, North Point, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Hong Kong Registrars Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (d) The company secretary of the Company is Ms. Pang Lin, a fellow member of each of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants of the United Kingdom, the Hong Kong Chartered Governance Institute (“HKCGI”) and the Chartered Governance Institute of the United Kingdom, a member of the Chartered Institute of Management Accountants of the United Kingdom and a holder of the practitioner’s endorsement of HKCGI. She holds a master degree in business administration and a master degree in corporate governance.
- (e) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours at Units 1–5, 11th Floor, Kodak House 2, 39 Healthy Street East, North Point, Hong Kong for a period of 14 days from the date of this circular:

- (a) this circular;
- (b) the Memorandum and Articles of Association of the Company;
- (c) the annual reports of the Group for the three years ended 31 March 2019, 2020 and 2021;
- (d) the property valuation report from Centaline Surveyors Limited, the text of which is set out in Appendix II to this circular;
- (e) a copy of each of the material contracts as set out in the section headed “Material contracts” in this appendix; and
- (f) the letter of consent referred to under the section headed “Experts and consents” in this appendix.