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

If you have sold or transferred all your shares in **Chinney Investments, Limited**, you should at once hand this circular, together with the accompanying 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.

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建業實業有限公司
Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 216)

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE DISPOSAL OF THE LAND
AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalized terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 6 to 17 of this circular.

A notice convening the EGM to be held at Full Moon Shanghai Restaurant, Macau Jockey Club, 3rd Floor, East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 25 May 2017 at 4:00 p.m. is set out on pages 61 to 62 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

9 May 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings as set out below:

“A.G. Wilkinson”	A.G. Wilkinson & Associates (Surveyors) Limited, being a property valuer independent of the Group and the Hon Kwok Group that has conducted valuation of the Land and issued the valuation report set out in Appendix V to this circular
“Adjustments”	the adjustments to be made to the Consideration in accordance with the terms and conditions of the Agreement as set out in the section headed “Payment and Adjustments” in this circular
“Agreement”	the sale and purchase agreement dated 19 January 2017 entered into between Cheerworld, as vendor, Hon Kwok, as guarantor of the Vendor and Sunshine City, as purchaser, for the Disposal
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the Directors
“Business Day”	Monday to Friday but excluding public holidays in the Cayman Islands, the BVI, Hong Kong and the PRC
“BVI”	the British Virgin Islands
“BVI Target”	Smooth Ever Investments Limited, a company incorporated in the BVI with limited liability
“Cheerworld”/“Vendor”	Cheerworld Group Limited, a company incorporated in the BVI with limited liability
“Chinney Alliance”	Chinney Alliance Group Limited (建聯集團有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (Stock Code: 385)
“Chinney Holdings”	Chinney Holdings Limited (建業發展(集團)有限公司), a company incorporated in Hong Kong with limited liability and is the holding company of the Company holding approximately 63.25% of the issued shares of the Company as at the Latest Practicable Date

DEFINITIONS

“close associates”	has the meaning ascribed to it under the Listing Rules
“Company”	Chinney Investments, Limited (建業實業有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange (Stock Code: 216), and is the holding company of Hon Kwok holding approximately 68.09% of its issued shares as at the Latest Practicable Date
“Completion”	completion of the Disposal
“Completion Date”	the date on which Completion shall take place in accordance with the terms of the Agreement
“Conditions Precedent”	conditions precedent to the Completion as set out in the section headed “Conditions Precedent” in this circular
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	consideration for the Disposal, being the aggregate of the Sale Share Consideration and the Sale Loans Consideration
“Deposit”	the deposit in the amount of RMB300,000,000 paid by the Purchaser to the fellow subsidiary of the Vendor established in the PRC in accordance with the Agreement
“Directors”	the directors of the Company
“Disposal”	the proposed disposal of the Sale Share and the Sale Loans
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hengsheng Group Co”	Guangzhou Hengsheng Group Co. Ltd. (廣州市恒生集團有限公司), a company incorporated in the PRC with limited liability

DEFINITIONS

“HK Target”	Cityland Holdings Limited (港滙集團有限公司), a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hon Kwok”	Hon Kwok Land Investment Company, Limited (漢國置業有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Stock Exchange (Stock Code: 160)
“Hon Kwok (China)”	Hon Kwok Land Investment (China) Limited (漢國置業(中國)有限公司), a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Hon Kwok
“Hon Kwok EGM”	the extraordinary general meeting of Hon Kwok to be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Hon Kwok Group”	Hon Kwok and its subsidiaries
“Hon Kwok (Shenzhen)”	Hon Kwok Land Investment (Shenzhen) Co., Ltd. (漢國置業(深圳)有限公司), a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of Hon Kwok
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	the land on which the real estate development is intended to be developed, namely (a) one parcel of land situated at the wireless mould factory, Dongguang Zhuang, Tian He District, Guangzhou City, the PRC (land use certificate number: Suiguo Yong (2004) Di 10039 Hao) with land use area of 39,312 square metres; (b) one parcel of land situated at Dongguang Zhuang, Tian He District, Guangzhou City, the PRC (land use certificate number: Suiguo Yong (2005) Di 10017 Hao) with land use area of 56,070 square metres; and (c) the municipal road land and the city public green belt land outside of the scope of the foregoing two parcels of land (without land use certificate)

DEFINITIONS

“Latest Practicable Date”	2 May 2017, 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
“Loan Assignments”	the Onshore Loan Assignment and the Offshore Loan Assignment
“Long Stop Date”	31 August 2017 or such other date as agreed by the Purchaser and the Vendor in writing
“Lucky Year”	Lucky Year Finance Limited, a company incorporated in the BVI with limited liability
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers
“Offshore Loan”	the loan owing by the BVI Target to Hon Kwok (China) as at the date of Completion (the amount as at the date of the Agreement being HK\$265,115,467)
“Offshore Loan Assignment”	a deed of assignment to be entered into between Hon Kwok (China), as assignor, and the Purchaser, as assignee, for the Offshore Loan
“Onshore Loan”	the loan owing by the PRC Target to Hon Kwok (Shenzhen) as at the date of Completion (the amount as at the date of the Agreement being RMB87,499,504)
“Onshore Loan Assignment”	a deed of assignment to be entered into between Hon Kwok (Shenzhen), as assignor, and the Purchaser, as assignee, for the Onshore Loan
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Target”	Guangzhou Honkwok Hengsheng Land Development Ltd. (廣州市漢國恒生房地產開發有限公司), a company incorporated in the PRC with limited liability

DEFINITIONS

“Remaining Group”	the Group other than the Target Group as contemplated under the Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loans”	the Onshore Loan and the Offshore Loan
“Sale Loans Consideration”	has the meaning ascribed to it in this circular
“Sale Share”	the share representing the entire issued share capital of the BVI Target
“Sale Share Consideration”	has the meaning ascribed to it in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunshine City”/“Purchaser”	Sunshine City Group Co., Ltd. (also known as Yango City Group Co., Ltd.) (陽光城集團股份有限公司), a company incorporated in the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange
“Target Group”	the BVI Target, the HK Target and the PRC Target collectively
“Termination Date”	the date on which termination of the Agreement takes place
“%”	per cent

For illustration purpose unless the context herein requires otherwise, RMB has been translated into HK\$ at the exchange rate of HK\$100 = RMB88.830. Such translation should not be construed as a representation that any amounts in RMB or HK\$ have been, could have been, or could be, converted at the above rate or any other rates or at all.

LETTER FROM THE BOARD



建業實業有限公司
Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 216)

Executive Directors:

James Sai-Wing Wong (*Chairman*)

Herman Man-Hei Fung (*Managing Director*)

Non-executive Directors:

William Chung-Yue Fan

Paul Hon-To Tong

James Sing-Wai Wong

Registered Office:

23rd Floor

Wing On Centre

111 Connaught Road Central

Hong Kong

Independent non-executive Directors:

Clement Kwok-Hung Young

Peter Man-Kong Wong

James C. Chen

9 May 2017

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE DISPOSAL OF THE LAND
AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

With reference to the joint announcement dated 24 January 2017 as published by the Company and Hon Kwok, on 19 January 2017 (after trading hours), Cheerworld (an indirect wholly-owned subsidiary of Hon Kwok) as vendor, Hon Kwok as guarantor of the Vendor and Sunshine City as purchaser entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell the Sale Share and procure the assignment of the Sale Loans to the Purchaser at the Consideration provided for in the Agreement, which is expected to be the Hong Kong dollar equivalent of approximately RMB3,181,241,120, subject to the Adjustments.

As at the Latest Practicable Date, the Sale Share represents the entire issued share capital of the BVI Target, which owns the share representing the entire issued share of the HK Target. The HK Target in turn owns 75% equity interests in the PRC Target, which in turn is the registered and beneficial owner of the Land.

LETTER FROM THE BOARD

As some of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 75% for the Company, 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 under Chapter 14 of the Listing Rules for the Company. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal; (ii) a valuation report on the Land; (iii) a notice of the EGM; and (iv) other information as required under the Listing Rules.

THE AGREEMENT

Date of Signing

19 January 2017 (after trading hours)

Effective Date

10 February 2017, being the date of payment of the Deposit by the Purchaser to the fellow subsidiary of the Vendor.

Parties

Vendor : Cheerworld, an indirect wholly-owned subsidiary of Hon Kwok

Purchaser : Sunshine City

Vendor's Guarantor : Hon Kwok (a 68.09% direct subsidiary of the Company). Hon Kwok was joined in as a party to the Agreement to guarantee the performance of certain obligations of the Vendor under the Agreement.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets to be disposed of

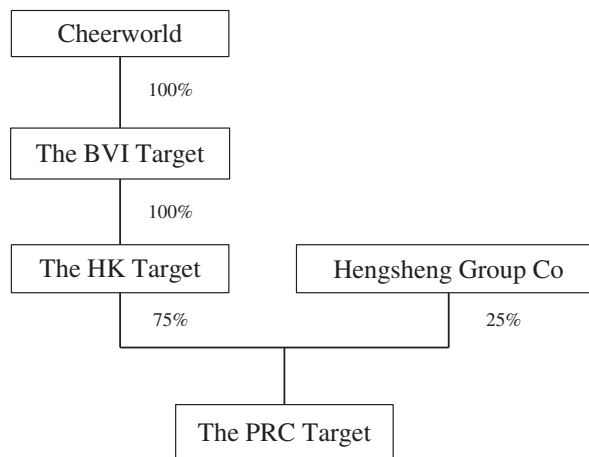
As at the Latest Practicable Date, the Vendor holds the Sale Share, being the share representing the entire issued share capital of the BVI Target. Pursuant to the Agreement, the Vendor agreed to sell and transfer the Sale Share free from encumbrance to the Purchaser upon the terms and conditions of the Agreement. As at the Latest Practicable Date, the BVI Target owns the share representing the entire issued share of the HK Target, which in turn owns 75% equity interests in the PRC Target. The PRC Target in turn is the registered and beneficial owner of the Land.

LETTER FROM THE BOARD

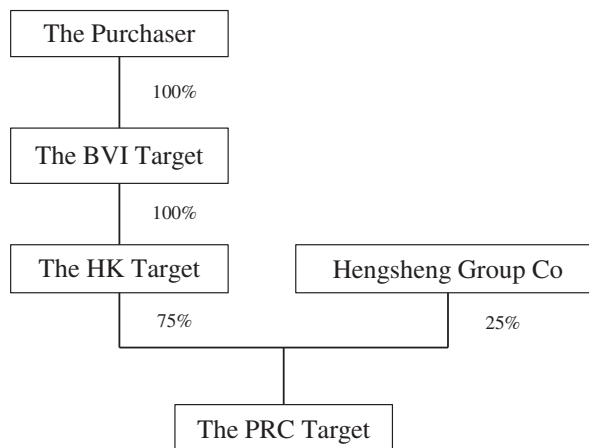
As at the Latest Practicable Date, Hon Kwok (China) and Hon Kwok (Shenzhen), being the immediate holding company and a fellow subsidiary of the Vendor, respectively, hold the Sale Loans owing by the BVI Target and the PRC Target, respectively. Pursuant to the Agreement, the Vendor agreed to procure Hon Kwok (China) as an offshore assignor to assign the Offshore Loan, and the Vendor agreed to procure Hon Kwok (Shenzhen) as an onshore assignor to assign the Onshore Loan both to the Purchaser free from encumbrance each at a gross consideration equal to the principal sum of the relevant Sale Loans upon the terms and conditions of the Offshore Loan Assignment and the Onshore Loan Assignment, respectively.

The following diagrams illustrate the changes in shareholding structure of the Target Group before and after the Completion:

Before Completion



After Completion



Save and except that Hengsheng Group Co has 25% equity interest in the PRC Target, Hengsheng Group Co and its ultimate beneficial owner(s) do not have any relationship with the Company or the Purchaser and their respective connected persons.

LETTER FROM THE BOARD

Consideration and Deposit

Subject to the Adjustments, the Consideration is expected to be the Hong Kong dollar equivalent of approximately RMB3,181,241,120, which consists of the consideration for the disposal of the Sale Share (the “**Sale Share Consideration**”) of approximately RMB2,858,239,547 and the consideration for the assignment of the Sale Loans (which comprise the Onshore Loan and the Offshore Loan) in the principal amount thereof (the “**Sale Loans Consideration**”). As at the date of the Agreement, the outstanding principal amount of the Onshore Loan and the Offshore Loan were RMB87,499,504 and HK\$265,115,467 (equivalent to RMB235,502,069) respectively. The possibility that there will be minor variations in the outstanding principal amounts of the Offshore Loan and the Onshore Loan respectively as at Completion compared to their respective outstanding principal amounts as at the date of the Agreement cannot be ruled out.

A deposit of RMB300,000,000 was paid by the Purchaser to the fellow subsidiary of the Vendor as designated by the Vendor on 10 February 2017 pursuant to the Agreement and shall be dealt with in the following manner:

- (a) after Completion, within 3 Business Days upon receipt by the Vendor of all the Share Consideration Completion Payment (as defined below), by Hon Kwok (China) of the consideration for the assignment of the Offshore Loan under the Offshore Loan Assignment and by Hon Kwok (Shenzhen) of the consideration for the assignment of the Onshore Loan under the Onshore Loan Assignment, the Vendor shall procure its fellow subsidiary that has received the Deposit from the Purchaser to return the Deposit (with interest calculated with reference to the benchmark interest rate of 3-month time deposit set by the People’s Bank of China) to the Purchaser (it being acknowledged that no part of the Deposit is intended for part payment of the Consideration at Completion subject however to the Purchaser’s right to use the Deposit and the interest to set off the consideration for the assignment of the Onshore Loan if there is no payment default by the Purchaser at Completion, the Purchaser’s payment of the Deposit is an expression of sincerity in the transaction and there is no restriction on the use of the Deposit by the Vendor or its fellow subsidiary that has received the Deposit);
- (b) in the event of termination of the Agreement owing to the Conditions Precedent not having been fulfilled or waived before the Long Stop Date or any force majeure events, the Vendor shall return the Deposit (with interest calculated with reference to the benchmark interest rate of 3-month time deposit set by the People’s Bank of China) to the Purchaser within 3 Business Days upon the Termination Date;
- (c) in the event that the Disposal fails to proceed to Completion due to the willful conduct of the Purchaser, or termination of the Agreement by the Purchaser without any of the grounds for termination as permitted under the Agreement, the Deposit shall be forfeited and the Vendor shall become entitled to the same; and

LETTER FROM THE BOARD

- (d) in the event that the Disposal fails to proceed to Completion due to the willful conduct of the Vendor, or termination of the Agreement by the Vendor without any of the grounds for termination as permitted under the Agreement, the Vendor shall return the Deposit together with the liquidated damages in the amount equivalent to the Deposit to the Purchaser within 3 Business Days upon the Termination Date.

Payment and Adjustments

Pursuant to the Agreement: (a) the Sale Share Consideration (subject to part of the Adjustments mentioned below) less any withholding of tax payable by the Vendor legitimately made by the Purchaser/relevant payor pursuant to the Agreement (such difference is hereinafter called “**Share Consideration Completion Payment**”) shall be satisfied and paid by the Purchaser in cash to the Vendor and such payment shall be in the sum of the Hong Kong dollar equivalent amount and the exchange rate to be applied in calculating such Hong Kong dollar equivalent amount shall be HK\$100 = RMB88.830; (b) the consideration for the assignment of the Offshore Loan shall be satisfied and paid by the Purchaser in cash to Hon Kwok (China); and (c) the consideration for the assignment of the Onshore Loan shall be satisfied and paid by the Purchaser in cash to Hon Kwok (Shenzhen), all such payments shall take place on the Completion Date.

The Sale Share Consideration shall be adjusted with reference to: (a) the actual permitted increased building area of the Land, (b) the deposit balance, cash balance and indebtedness balance of the Target Group, and (c) the amount of agreed operating expenses to be incurred by the Target Group (which adjustments are hereinafter called the “**Adjustments**”). Based on the information currently available, the Adjustments are expected not to be material.

Pursuant to the Agreement, the Vendor and the Purchaser shall confirm the Share Consideration Completion Payment in writing on the day of satisfaction of the Conditions Precedent and 3 Business Days preceding the Completion Date.

Development Costs

Because of the provisions of the Agreement, project development costs, which are estimated to be around HK\$0.44 billion, are to be borne by the Remaining Group.

Guarantee

Hon Kwok, the holding company of the Vendor, agreed to guarantee the due observance and performance of certain obligations of the Vendor and/or its fellow subsidiaries as contained in and in accordance with the Agreement (including the obligations regarding return of the Deposit, payment of liquidated damages, indemnity and taxation). Claims under such guarantee granted by Hon Kwok in favour of the Purchaser can only be made within 24 months from the Completion Date and are subject to other limitations for claims under the Agreement.

LETTER FROM THE BOARD

Conditions Precedent

Completion is subject to satisfaction or waiver by the Purchaser or the Vendor of the following Conditions Precedent:

- (a) compliance of all the notification, announcement and other procedures relating to the Agreement and the transactions contemplated thereunder by Hon Kwok and the Company under the Listing Rules and no objection raised by the Stock Exchange thereon;
- (b) approval for the Disposal from the Shareholders at the EGM having been obtained;
- (c) approval for the Disposal from the shareholders of Hon Kwok at the Hon Kwok EGM having been obtained;
- (d) consent notice or other approval, order etc. having been obtained from the competent PRC authority(ies) confirming that the plot ratio of the Land already includes increase of building area of 18,828.56 square metres by reason of certain arrangements for transfer of plot ratio from a real estate project in Guangzhou undertaken by a fellow subsidiary of the Vendor;
- (e) the approval, record, registration and consent necessary for effecting the transactions contemplated by the Agreement and other related transaction documents by the Purchaser from the National Development Reform Commission, the Ministry of Commerce and the State Administration of Foreign Exchange or their authorized institutions required having been obtained;
- (f) the tax actually borne by the Vendor and its connected parties in respect of the Disposal (other than stamp duty in respect of the transaction documents for the Disposal) shall not exceed 10% of the difference between the Sale Share Consideration and 75% of the registered capital of the PRC Target;
- (g) approval for the Disposal from the board of directors of the Purchaser having been obtained; and
- (h) the BVI Target being the sole legal and beneficial shareholder of the share representing the entire issued and paid-up capital of the HK Target, which holds 75% equity interests in the PRC Target.

Among all the Conditions Precedent above, conditions (d) and (g) are waiveable by the Purchaser and condition (f) is waiveable by the Vendor, which condition(s) if waived by the Purchaser or the Vendor (as the case may be) would not affect the substance of the Disposal. As at the Latest Practicable Date, save and except condition (h), none of the Conditions Precedent had been satisfied or waived.

If the Conditions Precedent are not fulfilled on or before 31 August 2017 (or such other later date or otherwise agreed between the Vendor and the Purchaser), the Agreement will terminate, the Deposit shall be dealt with in the manners mentioned above.

LETTER FROM THE BOARD

Completion

Subject to satisfaction and/or waiver (as the case may be) of the Conditions Precedent, Completion shall take place on the 5th Business Day after all the Conditions Precedent have been satisfied or waived (as the case may be) or such other date as may be agreed by the Vendor and the Purchaser in writing.

The parties to the Agreement agree that the sale and purchase of the Sale Share and the Sale Loans together form an integral transaction and therefore are inter-conditional, i.e. completion of the sale and purchase of the Sale Share and the assignment of the Sale Loans shall be carried out simultaneously.

Upon Completion, no issued share capital of any of the Target Group will be held directly or indirectly by the Company and thus the Target Group will cease to be subsidiaries of the Company and the assets, liabilities and results of the Target Group will cease to be consolidated into the consolidated financial statements of the Group.

INFORMATION ON THE TARGET GROUP AND THE LAND

The BVI Target is an investment holding company with the sole purpose of holding the legal and beneficial interest of all issued share in the HK Target, which is an investment holding company and holds 75% equity interests of the PRC Target. The PRC Target is a property development company with the sole purpose of holding the Land situated at Tian He District, Guangzhou City, the PRC and carrying on the real estate development project in respect of the Land. The real estate development project of the Land mainly consists of the residential apartment buildings, the club building, and other public construction buildings (e.g. the bus terminus, the market complex, the nursery school, the primary school and the secondary school etc.). As of the date of the Agreement, the development of the Land was at its planning and zoning stage, and no substantial construction work on the Land has been started by the PRC Target yet.

The market value of the Land (including increase of building area of 18,828.56 sq.m. pending approval) as at 28 February 2017 was RMB5,411,300,000 (equivalent to approximately HK\$6,091,748,000) based on the valuation report on the Land as set out in Appendix V to this circular where the valuation was as mentioned in Note 5(iv) of the valuation report on the assumption that the Land is free from freeze order, which however is still in force. The freeze order was awarded due to the dispute raised by a previously interested party of the subject properties relating to the joint property development, an arbitration (Case (2010) Sui Zhong An Zi Di 2828 Hao) which involved four parties, namely the HK Target, the PRC Target, Guangzhou Gecom Group Co., Ltd. and Hengsheng Group Co.. On 23 March 2011, Guangzhou Gecom Group Co., Ltd. initiated an action in the Guangzhou Arbitration Commission for an application for Protection of Property Interests. The Guangzhou Intermediate People's Court subsequently made a Civil Rulings ((2011) Sui Zhong Fa Zhi Di 764 Hao) and the subsequent repeated decisions, as a result of which a section of land area of 24,067.3 square metres under the land use right certificate (No. Sui Guo Yong (2005) Di 10017 Hao) owned by the PRC Target has been subject to a freeze order till 18 May 2018. It is advised that during the period of time for the freeze of the land use rights, disposal of the land that is subject to the freeze

LETTER FROM THE BOARD

order is prohibited. Nevertheless, transfer of shares in the PRC Target, the HK Target or the BVI Target will not be affected by the Court's freeze order.

As regards the Permit for Construction Land (Sui Guo Tu Jian Yong Zi [2012] No. 11), it indicates that the PRC Target shall be the land user of an area of 1,168 square metres for roadworks and public green land usage project. Pursuant to the above Permit for Construction Land, (i) there is no title registration for the roadworks and public green land; (ii) in the event that there is any third party successfully claiming any property rights over this section of land in the future, the PRC Target shall compensate such third party according to the relevant rules; and (iii) the roadworks and public green land project shall be handed over to the relevant authorities for management after completion according to the relevant rules. The Company believes that the chance of any third party may successfully claim any property rights over this section of the land is very low. In the event of any successful claim, the expected compensation amount will be relatively small and will not have material impact on the Disposal and/or the Company's financial position due to the small size of the roadworks and public green land.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser and considering the following factors the Directors are of the view that the Consideration is fair and reasonable:

- (a) the prevailing market price of similar properties in the same and/or neighbouring district(s) of the Land;
- (b) the Target Group holds only 75% (instead of 100%) interests in the Land and this has a discounting effect on the value of the Target Group's interest in the Land; and
- (c) the Group's internal valuation of the Land on market and existing condition basis after taking into account: (i) the existence of the freeze order as mentioned above; (ii) tax consideration in the sense that as the structure of the transaction is sale by the Group of, *inter alia*, the Sale Share rather than the Land, there would be substantial PRC tax saving (including land appreciation tax, corporate income tax and withholding tax etc.) by the Group and on the other hand to the Purchaser and its subsidiaries the potential liability for PRC land appreciation tax arising from future disposal and/or development of the Land also increases significantly. It is noteworthy that currently the applicable tax rate for PRC land appreciation tax can be as high as 60% and the value of the Land has increased significantly since the Group's acquisition of the Land (excluding roadworks and public green land with an area of 1,168 square metres) in 2004.

Without taking into account the discounting effect brought about by the Target Group's interest in the Land being less than 100%, the freeze order and tax consideration as mentioned above, the value of the Target Group's interest in the Land based on the valuation in the valuation report set out in Appendix V to this circular is RMB4,160,425,000, being the aggregate of 75% of RMB5,003,500,000 (the valuation as set out on page 49) and 100% of RMB407,800,000 as set out in Note 6 of the valuation report. If such discounting effect is taken into account, the value of the Target Group's interest in the Land would be significantly less than RMB4,160,425,000.

LETTER FROM THE BOARD

The adjusted net asset value of the Target Group (after taking into account the above internal valuation and before inter-company loans) is approximately RMB3,140,000,000, which is comparable to the Consideration of RMB3,181,241,120.

A summary of the unaudited consolidated financial information of the Target Group for the two years ended 31 March 2015 and 2016 is set out below:

	For the year ended	
	31 March	
	2015	2016
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Net profit (loss) before taxation and extraordinary items and before non-controlling interests	(418)	(83)
Net profit (loss) after taxation and extraordinary items but before non-controlling interests	(418)	(83)

The loss incurred by the Target Group for the two years ended 31 March 2015 and 2016 was mainly due to the payment of administrative expenses and overheads. The unaudited consolidated total asset value and net asset value (after non-controlling interests and before inter-company loans) of the Target Group as at 31 March 2016 are approximately HK\$483,389,000 and HK\$417,156,000 respectively.

INFORMATION ON THE COMPANY AND THE VENDOR

The Company is an investment holding company incorporated in Hong Kong with limited liability. Its subsidiaries (excluding Hon Kwok Group) are mainly engaged in garment manufacturing and trading and general investment.

The Vendor is an indirect wholly-owned subsidiary of Hon Kwok and an investment holding company incorporated in the BVI with limited liability.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the PRC and is principally engaged in real estate development and property management both in the PRC.

As of 31 December 2016, Shanghai Jiawen Investment Management Co., Ltd. (上海嘉聞投資管理有限公司), Fujian Yangguang Group Co., Ltd. (福建陽光集團有限公司), Dongfang Xinlong Asset Management Co., Ltd. (東方信隆資產管理有限公司) and Fujian Kangtian Group Co., Ltd. (福建康田實業集團有限公司) held 18.04%, 17.51%, 13.73% and 10.17% of the issued shares of the Purchaser respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors believe that the Disposal represents a good opportunity for the Vendor to realize its investment in the Land at a reasonable return. The Disposal will strengthen the financial position and enhance the cash flow of the Group.

LETTER FROM THE BOARD

Assuming there is no adjustment to the Consideration, based on the expected consideration of Hong Kong dollar equivalent of approximately RMB3.18 billion (equivalent to HK\$3.58 billion) and the unaudited net asset value of the Target Group (excluding the inter-company loans owed by the Target Group to the Hon Kwok Group) as at 30 November 2016, the Group is currently expected to record an estimated net gain from the Disposal of approximately HK\$1.61 billion. Such net gain has taken into account the estimated expenses in relation to the Disposal. However, the actual amount of net gain from the Disposal can only be determined after Completion as part of the Adjustments is only to be done after Completion.

The Group currently intends to use, subject to actual circumstances and decision of its board of directors when concrete details of proposed uses are put forward for consideration, the net sale proceeds from the Disposal in the sum of approximately HK\$2.7 billion (being the gross sale proceeds of approximately HK\$3.58 billion less project development costs with an estimated amount of around HK\$0.44 billion where because of the provisions of the Agreement are to be borne by the Remaining Group, transaction costs with an estimated amount of around HK\$0.1 billion and tax provision with an estimated amount of around HK\$0.34 billion having regard to the Group's liability to PRC enterprise income tax of 10% on the gain from the Disposal pursuant to PRC law) as to approximately HK\$0.9 billion for partial repayment of outstanding bank loans, approximately HK\$1 billion for general working capital requirements including payment of finance costs, overheads and dividends etc. and the remaining HK\$0.8 billion for other investment opportunities in Hong Kong in respect of property market for commercial/office and/or residential development depending on the then prevailing market conditions. The board of directors currently has no intention, arrangement, agreement, understanding and negotiation (concluded or otherwise) on any potential transaction.

As at the Latest Practicable Date, the outstanding bank loans of the Group is approximately HK\$6 billion with maturity dates mainly within 5 years.

The Directors currently have no intention to change their respective existing businesses and there is currently no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) on (i) any disposal (save and except responding to enquiries about interest in or negotiation invitation received from time to time in the ordinary course of business)/termination/scaling-down any part of their respective business; (ii) injection of any other new business; and (iii) any change in their respective shareholding structure.

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

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE DISPOSAL ON THE REMAINING GROUP

Assets and liabilities

According to the interim report of the Company for the six months ended 30 September 2016, the unaudited consolidated total assets and total liabilities of the Group as at 30 September 2016 were approximately HK\$16,984,034,000 and HK\$9,052,613,000 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 30 September 2016, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group would be approximately HK\$20,015,811,000 and HK\$9,834,867,000 respectively.

Profit for the year

For the year ended 31 March 2016, the Group recorded an audited profit attributable to shareholders for the year of approximately HK\$309,615,000. 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 attributable to shareholders of the Remaining Group for the year ended 31 March 2016 would be approximately HK\$1,936,095,000.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are 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 under Chapter 14 of the Listing Rules for the Company. The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder.

To the best knowledge of the Directors, as the Purchaser is an independent third party of the Company and no Shareholder has a material interest in the Disposal, none of the Shareholders and their respective close associates is required to abstain from voting in respect of the ordinary resolution to approve the Agreement and the transactions contemplated thereunder at the EGM.

LETTER FROM THE BOARD

EGM

A notice convening the EGM at which an ordinary resolution will be proposed for the Shareholders to consider, if thought fit, to approve the Agreement and the transactions contemplated thereunder to be held at Full Moon Shanghai Restaurant, Macau Jockey Club, 3rd Floor, East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 25 May 2017 at 4:00 p.m. is set out on pages 61 to 62 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, the resolution will be voted on by way of poll at the EGM 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 considers that the Disposal is fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution proposed to be considered at the EGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully,
By Order of the Board
James Sai-Wing Wong
Chairman

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 39 to 140), 31 March 2015 (pages 43 to 133), and 31 March 2016 (pages 43 to 135), respectively, and are incorporated by reference into this circular.

The said annual reports of the Company are available on the website for posting information about the Group as arranged by the Company at <http://chinneyinv.quamir.com/quamir/ircompanydetail.action?stockCode=216&isIr=Y> and the website of the Stock Exchange at www.hkexnews.hk through the links below:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0728/LTN20140728602.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0727/LTN20150727809.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0725/LTN20160725432.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 5 April 2017, 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\$6,155 million, comprising secured bank loans of approximately HK\$4,561 million and unsecured bank loans of approximately HK\$1,594 million.

As at 5 April 2017, the Group provided guarantees of approximately HK\$2,125 million to banks for mortgage loans made by the banks to the purchasers of properties sold by the Group in the PRC.

As at 5 April 2017, the Group provided a guarantee of HK\$36,000,000 to a bank in connection with a facility granted to an associate.

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 5 April 2017, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse change in the financial or trading position 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 12 months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

As at 30 September 2016, the Group had a total shareholders' funds of approximately HK\$5,069 million. The gearing ratio of the Group, as measured by the net interest-bearing debts of approximately HK\$4,933 million over the total shareholders' funds plus non-controlling interests totalling approximately HK\$7,931 million, was 62% as at 30 September 2016. The Group had cash and bank balances including time deposits of approximately HK\$1,202 million as at 30 September 2016 and also had committed but undrawn banking facilities of a total of approximately HK\$1,518 million as at 30 September 2016 available for its working capital purpose. The Directors expect that the Group will continue to maintain a healthy financial position to support the business operations.

The Group is principally engaged in the businesses of property development and property investment mainly focused in Mainland China and the garment business mainly exports to the European markets.

Internal finishing works of Botanica Phase 4 in Guangzhou, comprising 11 blocks of about 550 units, are well in progress and the individual units are expected to be delivered by stages commencing this quarter through last quarter of this year. The whole phase has been launched to the market for pre-sale and as at the Latest Practicable Date, nearly all units have been sold and generated sale proceeds exceeding RMB2,000 million. Superstructure works of Metropolitan Oasis Phase 2 in Nanhai, comprising about 200 units of 3-storey town houses, have been commenced. Portion of the town houses has been launched to the market for pre-sale and as at the Latest Practicable Date, total contracted sales exceeded RMB360 million.

Construction of an 80-storey (including 5 storeys underground) Hon Kwok City Commercial Centre in Shenzhen is expected to be completed by the end of this year. The Group intends to hold this signature building for long term purpose thus, enhancing the Group's recurrent rental income in the coming years. Renovation works in respect of the 42-storey hotel/office tower of Jinshan Shangye Zhongxin in Chongqing, a twin-tower project, are in progress.

Foundation works of the bare site at Kin Chuen Street, Kwai Chung, New Territories have been commenced. This site will be developed for non-residential use and recurrent rental income.

The current occupancy of the Group's major investment properties both in Hong Kong and Mainland China and the Group's serviced apartments and hotels operating under the brand name of "The Bauhinia" maintain satisfactory occupancy rates.

The Group is closely monitoring the property markets in Mainland China and Hong Kong and intends to replenish its land bank and/or enhance its investment property portfolios at opportune times.

The Group's garment business is streamlining its business structure in view of the stagnant European consumer market. Nevertheless, it continues to broaden its customer base in local and Asian markets which show more stable economic growth as well as implementing stringent cost control measures to reduce overhead in both Hong Kong and Dongguan operations.

The financial position and the cash flow of the Remaining Group would be greatly strengthened and enhanced following completion of the Disposal, which is beneficial to the long-term development of the Remaining Group.

In view of the above and barring unforeseen circumstances, the Directors remain optimistic on the financial and trading prospects of the Group for the current financial year.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below are the unaudited consolidated statements of financial position of the Target Group as at 31 March 2014, 2015 and 2016 and 30 November 2016 and the unaudited consolidated statements of profit or loss, unaudited consolidated statements of comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows of the Target Group for the years ended 31 March 2014, 2015 and 2016 and for the eight-month period ended 30 November 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 2016, and Rule 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 accountants were engaged to review the financial information of the Target Group set out on pages 21 to 27 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 accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion. Based on their review on the Financial Information of the Target Group, nothing has come to their attention that causes them to believe that the Financial Information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2 below.

1. UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Year ended 31 March			Eight-month period ended 30 November	
	2014	2015	2016	2015	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	-	-	-	-	-
Cost of sales	-	-	-	-	-
Gross profit	-	-	-	-	-
Administrative expenses	(87)	(418)	(83)	(47)	(39)
Loss before tax	(87)	(418)	(83)	(47)	(39)
Income tax expenses	-	-	-	-	-
Loss for the year/period	<u>(87)</u>	<u>(418)</u>	<u>(83)</u>	<u>(47)</u>	<u>(39)</u>
Attributable to:					
Owners of the Target Group	(70)	(402)	(68)	(37)	(31)
Non-controlling interests	<u>(17)</u>	<u>(16)</u>	<u>(15)</u>	<u>(10)</u>	<u>(8)</u>
	<u>(87)</u>	<u>(418)</u>	<u>(83)</u>	<u>(47)</u>	<u>(39)</u>

2. UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 March			Eight-month period ended 30 November	
	2014	2015	2016	2015	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the year/period	(87)	(418)	(83)	(47)	(39)
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	<u>–</u>	<u>–</u>	<u>(15,116)</u>	<u>(10,200)</u>	<u>(27,170)</u>
Other comprehensive loss for the year/period, net of tax	<u>–</u>	<u>–</u>	<u>(15,116)</u>	<u>(10,200)</u>	<u>(27,170)</u>
Total comprehensive loss for the year/period	<u>(87)</u>	<u>(418)</u>	<u>(15,199)</u>	<u>(10,247)</u>	<u>(27,209)</u>
Attributable to:					
Owners of the Target Group	(70)	(402)	(12,701)	(8,561)	(22,738)
Non-controlling interests	<u>(17)</u>	<u>(16)</u>	<u>(2,498)</u>	<u>(1,686)</u>	<u>(4,471)</u>
	<u>(87)</u>	<u>(418)</u>	<u>(15,199)</u>	<u>(10,247)</u>	<u>(27,209)</u>

3. UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	At 31 March			At
	2014	2015	2016	30 November
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>2016</i> <i>HK\$'000</i>
NON-CURRENT ASSET				
Property, plant and equipment	213	151	90	64
CURRENT ASSETS				
Property held for sale under development	467,157	474,471	482,946	473,887
Deposits	71	83	80	75
Cash and bank balances	404	235	273	140
Total current assets	<u>467,632</u>	<u>474,789</u>	<u>483,299</u>	<u>474,102</u>
CURRENT LIABILITIES				
Other payables	38	41	35	27
Due to an intermediate holding company	264,712	265,073	265,093	265,116
Due to a fellow subsidiary	49,560	56,709	80,343	98,314
Total current liabilities	<u>314,310</u>	<u>321,823</u>	<u>345,471</u>	<u>363,457</u>
NET CURRENT ASSETS	<u>153,322</u>	<u>152,966</u>	<u>137,828</u>	<u>110,645</u>
Net assets	<u><u>153,535</u></u>	<u><u>153,117</u></u>	<u><u>137,918</u></u>	<u><u>110,709</u></u>
EQUITY				
Equity attributable to owners of the Target Group				
Share capital	–	–	–	–
Reserves	84,823	84,421	71,720	48,982
	84,823	84,421	71,720	48,982
Non-controlling interests	68,712	68,696	66,198	61,727
Total equity	<u><u>153,535</u></u>	<u><u>153,117</u></u>	<u><u>137,918</u></u>	<u><u>110,709</u></u>

4. UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Target Group					
	Share capital HK\$'000	Exchange fluctuation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2013	-	85,424	(531)	84,893	68,729	153,622
Loss for the year	-	-	(70)	(70)	(17)	(87)
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(70)	(70)	(17)	(87)
At 31 March 2014 and 1 April 2014	-	85,424*	(601)*	84,823	68,712	153,535
Loss for the year	-	-	(402)	(402)	(16)	(418)
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	(402)	(402)	(16)	(418)
At 31 March 2015 and 1 April 2015	-	85,424*	(1,003)*	84,421	68,696	153,117
Loss for the year	-	-	(68)	(68)	(15)	(83)
Other comprehensive loss for the year:						
Exchange differences on translation of foreign operations	-	(12,633)	-	(12,633)	(2,483)	(15,116)
Total comprehensive loss for the year	-	(12,633)	(68)	(12,701)	(2,498)	(15,199)
At 31 March 2016 and 1 April 2016	-	72,791*	(1,071)*	71,720	66,198	137,918
Loss for the period	-	-	(31)	(31)	(8)	(39)
Other comprehensive loss for the period:						
Exchange differences on translation of foreign operations	-	(22,707)	-	(22,707)	(4,463)	(27,170)
Total comprehensive loss for the period	-	(22,707)	(31)	(22,738)	(4,471)	(27,209)
At 30 November 2016	-	50,084*	(1,102)*	48,982	61,727	110,709
At 31 March 2015 and 1 April 2015	-	85,424	(1,003)	84,421	68,696	153,117
Loss for the period	-	-	(37)	(37)	(10)	(47)
Other comprehensive loss for the period:						
Exchange differences on translation of foreign operations	-	(8,524)	-	(8,524)	(1,676)	(10,200)
Total comprehensive loss for the period	-	(8,524)	(37)	(8,561)	(1,686)	(10,247)
At 30 November 2015	-	76,900	(1,040)	75,860	67,010	142,870

* These reserve accounts comprise the consolidated reserves of HK\$84,823,000, HK\$84,421,000, HK\$71,720,000 and HK\$48,982,000 as at 31 March 2014, 2015, 2016 and 30 November 2016, respectively, in the unaudited consolidated statements of financial position.

5. UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 March		Eight-month period ended		
	2014	2015	2016	2015	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax	(87)	(418)	(83)	(47)	(39)
Adjustment for depreciation	61	62	56	39	32
	(26)	(356)	(27)	(8)	(7)
Increase in property held for sale under development	(8,724)	(7,314)	(25,625)	(24,862)	(23,499)
Decrease/(increase) in deposits	3	(12)	–	–	–
Increase/(decrease) in other payables	3	3	(6)	(15)	(7)
Net cash flows used in operating activities	(8,744)	(7,679)	(25,658)	(24,885)	(23,513)
CASH FLOW FROM AN INVESTING ACTIVITY					
Purchases of items of property, plant and equipment and cash flow used in an investing activity	–	–	–	–	(12)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans from an intermediate holding company	20	361	20	20	23
Loans from a fellow subsidiary	8,714	7,149	25,684	24,903	23,387
Net cash flows from financing activities	8,734	7,510	25,704	24,923	23,410
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of year/period	414	404	235	235	273
Effect of foreign exchange rates changes, net	–	–	(8)	(5)	(18)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	404	235	273	268	140
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	404	235	273	268	140

NOTES TO THE FINANCIAL INFORMATION OF THE TARGET GROUP

For each of the years ended 31 March 2014, 2015 and 2016 and the eight-month period ended 30 November 2016

1. GENERAL INFORMATION

Smooth Ever Investments Limited (“Smooth Ever”) is a limited liability company incorporated in the British Virgin Islands. Smooth Ever and its subsidiaries (together, the “Target Group”) principally engaged in property development in the People’s Republic of China (the “PRC”).

On 19 January 2017, the Vendor has entered into the Agreement pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Sale Share and procure the assignment of the Sale Loans to the Purchaser. Upon completion of the Disposal, the Target Group will cease to be subsidiaries of the Company.

2. BASIS OF PREPARATION

The Financial Information of the Target Group has been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the Disposal in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules and in accordance with the relevant accounting policies adopted by the Company as set out in its annual report for the year ended 31 March 2016, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The Financial Information of the Target Group has been prepared under the historical cost convention. The Financial Information of the Target Group is presented in Hong Kong dollars (HK\$) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

The Financial Information of the Target Group 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” nor 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.

Following the Disposal, the Remaining Group will continue to carry out its existing businesses. Set out below are the management discussion and analysis of the Remaining Group for each of the three financial years ended 31 March 2014, 2015 and 2016 and the six-month period ended 30 September 2016.

LIQUIDITY AND FINANCIAL RESOURCES

For the year ended 31 March 2014

The total interest-bearing debts of the Remaining Group amounted to approximately HK\$4,758 million as at 31 March 2014, of which approximately 43% of the debts were classified as current liabilities. Included therein were debts of HK\$199 million related to bank loans with repayable on demand clause and HK\$1,045 million related to project loans which will be refinanced during the then forthcoming financial year. Based on the repayment schedules pursuant to the related loan agreements and assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts was approximately 16%. The increase in total debts was mainly due to the refinancing of certain investment properties with increased facilities and the drawdown of construction bank loans for Mainland development projects.

Total cash and bank balances including time deposits of the Remaining Group were approximately HK\$937 million as at 31 March 2014. Included in cash and bank balances are restricted bank deposits of HK\$83 million which can only be applied in the designated property development projects prior to their completion of construction. The Remaining Group had committed but undrawn banking facilities of a total of approximately HK\$828 million as at 31 March 2014 available for its working capital purpose.

Total shareholders' funds of the Remaining Group as at 31 March 2014 were approximately HK\$3,623 million. The increase was mainly due to the current year's profit attributable to shareholders.

The gearing ratio of the Remaining Group, as measured by the net interest-bearing debts of approximately HK\$3,822 million over the shareholders' funds plus non-controlling interests totalling approximately HK\$5,686 million, was 67% as at 31 March 2014.

For the year ended 31 March 2014, about 36%, 34% and 23% of the Remaining Group's turnover is attributable to property development, property investment and garment business respectively. Above 90% of the Remaining Group's segment profit is attributable to property investment and about 59%, 21% and 19% of the Remaining Group's turnover is attributable to Mainland China, Hong Kong and Europe respectively.

For the year ended 31 March 2015

The total interest-bearing debts of the Remaining Group amounted to approximately HK\$6,016 million as at 31 March 2015, of which approximately 51% of the debts were classified as current liabilities. Included therein were debts of HK\$182 million related to bank loans with repayable on demand clause and HK\$2,218 million related to project loans which will be refinanced during the then forthcoming financial year. Based on the repayment schedules pursuant to the related loan agreements and assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts was approximately 11%. The increase in total debts was mainly due to the refinancing of the existing syndicated bank loan and certain investment properties with increased facilities as well as the drawdown of bank loans for acquisition and construction of development projects.

Total cash and bank balances including time deposits of the Remaining Group were approximately HK\$923 million as at 31 March 2015. Included in cash and bank balances are restricted bank deposits of HK\$172 million which can only be applied in the designated property development projects prior to their completion of construction. The Remaining Group had committed but undrawn banking facilities of a total of approximately HK\$434 million as at 31 March 2015 available for its working capital purpose.

Total shareholders' funds of the Remaining Group as at 31 March 2015 were approximately HK\$4,878 million. The increase was mainly due to current year's profit attributable to shareholders.

The gearing ratio of the Remaining Group, as measured by the net interest-bearing debts of approximately HK\$5,093 million over the shareholders' funds plus non-controlling interests totalling approximately HK\$7,496 million, was 68% as at 31 March 2015.

For the year ended 31 March 2015, about 32%, 38% and 22% of the Remaining Group's turnover is attributable to property development, property investment and garment business respectively. Above 95% of the Remaining Group's segment profit is attributable to property investment and about 56%, 23% and 20% of the Remaining Group's turnover is attributable to Mainland China, Hong Kong and Europe respectively.

For the year ended 31 March 2016

The total interest-bearing debts of the Remaining Group amounted to approximately HK\$6,451 million as at 31 March 2016, of which approximately 52% of the debts were classified as current liabilities. Included therein were debts of HK\$163 million related to bank loans with repayable on demand clause and HK\$2,442 million related to project or term loans which will be refinanced during the then forthcoming financial year. Based on the repayment schedules pursuant to the related loan agreements and assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts was approximately 11%. The increase in total debts was mainly due to the drawdown of bank loans for construction of Mainland development projects.

Total cash and bank balances including time deposits of the Remaining Group were approximately HK\$1,873 million as at 31 March 2016. Included in cash and bank balances are restricted bank deposits of HK\$623 million which can only be applied in the designated property development projects prior to their completion of construction. The Remaining Group had committed but undrawn banking facilities of a total of approximately HK\$371 million as at 31 March 2016 available for its working capital purpose.

Total shareholders' funds of the Remaining Group as at 31 March 2016 were approximately HK\$5,017 million. The increase was mainly due to current year's profit attributable to shareholders offset by depreciation in value of assets less liabilities denominated in Renminbi.

The gearing ratio of the Remaining Group, as measured by the net interest-bearing debts of approximately HK\$4,579 million over the shareholders' funds plus non-controlling interests totalling approximately HK\$7,729 million, was 59% as at 31 March 2016.

For the year ended 31 March 2016, about 82%, 11% and 5% of the Remaining Group's turnover is attributable to property development, property investment and garment business respectively. About 70% of the Remaining Group's segment profit is attributable to property investment and about 90% of the Remaining Group's turnover is attributable to Mainland China.

For the period ended 30 September 2016

The total interest-bearing debts of the Remaining Group amounted to approximately HK\$6,135 million as at 30 September 2016, of which approximately 48% of the debts were classified as current liabilities. Included therein were debts of HK\$155 million related to bank loans with repayable on demand clause and HK\$2,244 million related to project or term loans which will be refinanced during the then forthcoming twelve months. Based on the repayment schedules pursuant to the related loan agreements and assuming that the aforesaid refinancing will be completed on schedule, the current portion of the total interest-bearing debts was approximately 9%.

Total cash and bank balances including time deposits of the Remaining Group were approximately HK\$1,202 million as at 30 September 2016. Included in cash and bank balances are restricted bank deposits of HK\$551 million which can only be applied in the designated property development projects prior to their completion of construction. The Remaining Group had committed but undrawn banking facilities of a total of approximately HK\$1,518 million as at 30 September 2016 available for its working capital purpose.

Total shareholders' funds of the Remaining Group as at 30 September 2016 were approximately HK\$5,028 million. The increase was mainly due to the current period's profit attributable to shareholders offset by depreciation in value of assets less liabilities denominated in Renminbi.

The gearing ratio of the Remaining Group, as measured by the net interest-bearing debts of approximately HK\$4,933 million over the shareholders' funds plus non-controlling interests totalling of approximately HK\$7,808 million, was 63% as at 30 September 2016.

For the six months ended 30 September 2016, about 89%, 7% and 3% of the Remaining Group's turnover is attributable to property development, property investment and garment business respectively. About 74% of the Remaining Group's segment profit is attributable to property development and over 90% of the Remaining Group's turnover is attributable to Mainland China.

Funding and treasury policies

The Remaining Group adopted prudent funding and treasury policies. Surplus funds are primarily maintained in the form of cash deposits with leading banks.

Acquisition and development of properties are financed partly by internal resources and partly by bank loans. Repayments of bank loans are scheduled to match asset lives and project completion dates. Bank loans are mainly denominated in Hong Kong dollars and Renminbi and bear interest at floating rates.

Foreign currency exposure is closely monitored by management and hedged to the extent desirable. As at 31 March 2014, 2015, 2016 and 30 September 2016, the Remaining Group had no material exposure under foreign exchange contracts or any other hedging instruments.

Employees and remuneration policies

The Remaining Group, not including its associates and a joint venture, employed approximately 640, 630, 620, 610 employees as at 31 March 2014, 2015, 2016 and 30 September 2016, respectively. Remuneration is determined by reference to market terms and the qualifications and experience of the staff concerned. Salaries are reviewed annually with discretionary bonuses being paid depending on individual performance. The Remaining Group also provides other benefits including medical cover, provident fund, personal accident insurance and educational subsidies to all eligible staff.

Pledge of assets

As at 31 March 2014, 2015, 2016 and 30 September 2016, the Remaining Group had pledged its assets including properties, investments and bank balances with an aggregate carrying value of approximately HK\$8,230 million, HK\$11,771 million, HK\$12,481 million and HK\$12,394 million, respectively, and shares in certain subsidiaries were pledged to secure certain banking facilities of the Remaining Group.

Contingent liabilities

As at 31 March 2014, 2015, 2016 and 30 September 2016, the Remaining Group had given a guarantee of nil, HK\$40,000,000, HK\$40,000,000 and HK\$36,000,000, respectively to a bank in connection with a facility granted to an associate and such banking facility guaranteed by the Remaining Group to the associate was utilized to the extent of nil, HK\$40,000,000, HK\$40,000,000, and HK\$36,000,000, respectively.

As at 31 March 2014, 2015, 2016 and 30 September 2016, the Remaining Group had given guarantees of HK\$9,518,000, HK\$191,000,000, HK\$1,119,000,000 and HK\$1,536,000,000, respectively to banks for housing loans extended by the banks to the purchasers of the Remaining Group's properties for a period from the date the loans are granted to the purchasers up to the date of issuance of property title certificates to the purchasers.

Save as disclosed, as at 31 March 2014, 2015, 2016 and 30 September 2016, there are no other disclosures applicable to the Remaining Group pursuant to the requirements under paragraph 32 of Appendix 16 of the Listing Rules.

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

The accompanying unaudited pro forma consolidated statement of financial position, the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group (collectively referred to as the “Unaudited Pro Forma Financial Information”) have been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the effects upon Completion.

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the unaudited consolidated statement of financial position of the Group as at 30 September 2016 which has been extracted from the Group’s published interim report for the six months ended 30 September 2016 dated 29 November 2016, after taking into account the pro forma adjustments relating to the Disposal that are (i) clearly shown and explained; (ii) directly attributable to the Disposal and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Disposal had been completed on 30 September 2016.

The unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of profit or loss, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2016 which have been extracted from the Group’s published annual report for the year ended 31 March 2016 dated 28 June 2016 after taking into account the pro forma adjustments relating to the Disposal that are (i) clearly shown and explained; (ii) directly attributable to the Disposal and not relating to future events or decisions; and (iii) factually supportable, as explained in the accompanying notes, as if the Disposal had been completed on 1 April 2015.

The accompanying Unaudited Pro Forma Financial Information of the Remaining Group is prepared by the directors of the Company based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Remaining Group upon completion of the Disposal. As the Unaudited Pro Forma Financial Information is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position and results of the Remaining Group following the completion of the Disposal and does not purport to describe the actual results of operations, financial position and cash flows of the Remaining Group that would have been attained had the Disposal been completed on the dates indicated herein. Further, the accompanying Unaudited Pro Forma Financial Information of the Remaining Group does not purport to predict the future financial position, results of operations or cash flows of the Remaining Group after completion of the Disposal.

The Unaudited Pro Forma Financial Information of the Remaining Group has been prepared in accordance with Rule 4.29 and paragraph 68(2)(a)(ii) of Chapter 14 of the Listing Rules. The Unaudited Pro Forma Financial Information of the Remaining Group should be read in conjunction with the financial information of the Group as set out in Appendix I to the Circular, the information of the Target Group as set out in Appendix II to the Circular and other financial information included elsewhere in the Circular.

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION OF THE REMAINING GROUP**
As at 30 September 2016

	The Group (unaudited) HK\$'000 (Note 1)	Pro forma adjustments			The Remaining Group (unaudited) HK\$'000 (Note 8)
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 8)	
NON-CURRENT ASSETS					
Properties, plant and equipment	128,077	(64)	-	-	128,013
Prepaid land lease payments	7,668	-	-	-	7,668
Investment Properties	12,164,113	-	-	-	12,164,113
Interests in Jointly-controlled Entities	199	-	-	-	199
Interests in Associates	636,011	-	-	-	636,011
Total non-current assets	12,936,068	(64)	-	-	12,936,004
CURRENT ASSETS					
Inventories	4,368	-	-	-	4,368
Properties held for sale under development and completed properties held for sale	2,652,231	(473,887)	-	-	2,178,344
Prepaid land lease payments	1,196	-	-	-	1,196
Trade and bills receivables	31,661	-	-	-	31,661
Prepayments, deposits and other receivables	155,571	(75)	-	-	155,496
Equity investment at fair value through profit and loss	837	-	-	-	837
Taxation Recoverable	20	-	-	-	20
Pledged deposits	77,764	-	-	-	77,764
Bank Balances and Cash	1,124,318	(140)	3,505,943	-	4,630,121
Total current assets	4,047,966	(474,102)	3,505,943	-	7,079,807
CURRENT LIABILITIES					
Trade payables and accrued liabilities	350,894	(27)	443,378	-	794,245
Customers deposits	1,048,083	-	-	-	1,048,083
Due to an associate	31,740	-	-	-	31,740
Due to the Remaining Group	-	(363,430)	363,430	-	-
Obligation under a finance lease	155	-	-	-	155
Interest-bearing bank borrowings	2,969,033	-	-	-	2,969,033
Tax Payable	208,777	-	338,903	-	547,680
Total current liabilities	4,608,682	(363,457)	1,145,711	-	5,390,936
NET CURRENT LIABILITIES	(560,716)	(110,645)	2,360,232	-	1,688,871
TOTAL ASSETS LESS CURRENT LIABILITIES	12,375,352	(110,709)	2,360,232	-	14,624,875
NON-CURRENT LIABILITIES					
Obligation under a finance lease	160	-	-	-	160
Interest-bearing bank borrowings	3,165,792	-	-	-	3,165,792
Deferred tax liabilities	1,277,979	-	-	-	1,277,979
Total non-current liabilities	4,443,931	-	-	-	4,443,931
Net Assets	7,931,421	(110,709)	2,360,232	-	10,180,944
EQUITY					
Equity attributable to equity holders of the Company					
Share Capital	405,411	-	-	-	405,411
Reserves	4,663,611	(48,982)	2,360,232	(737,629)	6,237,232
	5,069,022	(48,982)	2,360,232	(737,629)	6,642,643
Non-controlling Interests	2,862,399	(61,727)	-	737,629	3,538,301
Total equity	7,931,421	(110,709)	2,360,232	-	10,180,944

APPENDIX IV

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

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF
THE REMAINING GROUP**

For the year ended 31 March 2016

	The Group (audited)	Pro forma adjustments			The
		HK\$'000	HK\$'000	HK\$'000	Remaining Group (unaudited)
	<i>(Note 1)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 9)</i>	<i>HK\$'000</i>
REVENUE	1,655,688	–	–	–	1,655,688
Cost of sales	(1,115,598)	–	–	–	(1,115,598)
Gross profit	540,090	–	–	–	540,090
Other income	21,878	–	–	–	21,878
Fair value gains on investment properties, net	616,256	–	–	–	616,256
Fair value gains on equity investments at fair value through profit or loss, net	51	–	–	–	51
Gain on disposal of a subsidiary	7,360	–	2,727,721	–	2,735,081
Selling and distribution expenses	(12,377)	–	–	–	(12,377)
Administrative and other operating expenses, net	(195,741)	83	–	–	(195,658)
Finance costs	(134,491)	–	–	–	(134,491)
Share of profits and losses of associates	48,982	–	–	–	48,982
Profit before tax	892,008	83	2,727,721	–	3,619,812
Income tax expense	(370,035)	–	(338,903)	–	(708,938)
Profit for the year	<u>521,973</u>	<u>83</u>	<u>2,388,818</u>	<u>–</u>	<u>2,910,874</u>
Attributable to:					
Owners of the Company	309,615	68	2,388,818	(762,406)	1,936,095
Non-controlling interests	<u>212,358</u>	<u>15</u>	<u>–</u>	<u>762,406</u>	<u>974,779</u>
	<u>521,973</u>	<u>83</u>	<u>2,388,818</u>	<u>–</u>	<u>2,910,874</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME OF THE REMAINING GROUP**
For the year ended 31 March 2016

	The Group		Pro forma adjustments		The
	(audited)				Remaining
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	Group
	<i>(Note 1)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 9)</i>	(unaudited)
					<i>HK\$'000</i>
Profit for the year	521,973	83	2,388,818	–	2,910,874
Other comprehensive loss:					
Other comprehensive loss to be reclassified to profit & loss in subsequent periods:					
Share of other comprehensive loss of associates	(5,765)	–	–	–	(5,765)
Exchange differences on translation of foreign operations	(279,547)	15,116	–	–	(264,431)
Reclassification adjustments for a foreign operation disposed of during the year	–	–	(85,424)	–	(85,424)
Other comprehensive loss for the year, net of tax	(285,312)	15,116	(85,424)	–	(355,620)
Total comprehensive income for the year	<u>236,661</u>	<u>15,199</u>	<u>2,303,394</u>	<u>–</u>	<u>2,555,254</u>
Attributable to:					
Owners of the Company	120,537	12,701	2,303,394	(739,178)	1,697,454
Non-controlling interests	116,124	2,498	–	739,178	857,800
	<u>236,661</u>	<u>15,199</u>	<u>2,303,394</u>	<u>–</u>	<u>2,555,254</u>

APPENDIX IV
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF
THE REMAINING GROUP**
For the year ended 31 March 2016

	The Group	Pro forma adjustments			Remaining
	(audited)				Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	(unaudited)
	(Note 1)	(Note 6)	(Note 5)	(Note 7)	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	892,008	83	2,388,818	–	3,280,909
Adjustments for:					
Share of profits and losses of associates	(48,982)	–	–	–	(48,982)
Interest income	(6,475)	–	–	–	(6,475)
Finance costs	134,491	–	–	–	134,491
Depreciation	11,343	(56)	–	–	11,287
Amortisation of prepaid land lease payments	1,240	–	–	–	1,240
Fair value gains on investment properties, net	(616,256)	–	–	–	(616,256)
Loss/(gain) on disposal of items of property, plant and equipment, net	10,580	–	–	–	10,580
Fair value gains on equity investments at fair value through profit or loss, net	(51)	–	–	–	(51)
Gain on disposal of a subsidiary	(7,360)	–	(2,388,818)	–	(2,396,178)
Impairment of trade receivables	73	–	–	–	73
	<u>370,611</u>	<u>27</u>	<u>–</u>	<u>–</u>	<u>370,638</u>
Increase in inventories	(248)	–	–	–	(248)
Decrease/(increase) in properties held for sale under development and completed properties held for sale	344,325	25,625	–	–	369,950
Increase in trade and bills receivables, prepayments, deposits and other receivables	(44,842)	–	–	–	(44,842)
Decrease in trade payables and accrued liabilities	(35,105)	6	–	–	(35,099)
Increase in customer deposits	700,432	–	–	–	700,432
	<u>1,335,173</u>	<u>25,658</u>	<u>–</u>	<u>–</u>	<u>1,360,831</u>
Cash generated from operations	1,335,173	25,658	–	–	1,360,831
Hong Kong profits tax refunded/(paid)	(71)	–	–	–	(71)
Overseas taxes paid	(147,072)	–	–	–	(147,072)
	<u>1,188,030</u>	<u>25,658</u>	<u>–</u>	<u>–</u>	<u>1,213,688</u>
Net cash flows from operating activities	1,188,030	25,658	–	–	1,213,688
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of items of property, plant and equipment	(5,910)	–	–	–	(5,910)
Additions to investment properties	(435,023)	–	–	–	(435,023)
Dividends received from an associate	6,924	–	–	–	6,924
Interest received	6,475	–	–	–	6,475
Proceeds from disposal of items of property, plant and equipment	822	–	–	–	822
Decrease/(increase) in pledged deposits	199,252	–	–	–	199,252
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired	(46,981)	–	–	–	(46,981)
Disposal of a subsidiary	13,442	–	3,505,943	–	3,519,385
Loans to the Disposal Group	–	–	–	(25,704)	(25,704)
	<u>(260,999)</u>	<u>–</u>	<u>3,505,943</u>	<u>(25,704)</u>	<u>3,219,240</u>
Net cash flows used in investing activities	(260,999)	–	3,505,943	(25,704)	3,219,240

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

	The Group (audited) HK\$'000 (Note 1)	Pro forma adjustments			Remaining Group (unaudited) HK\$'000
		HK\$'000 (Note 6)	HK\$'000 (Note 5)	HK\$'000 (Note 7)	
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid	(241,579)	-	-	-	(241,579)
Dividends paid to non-controlling shareholders	(28,740)	-	-	-	(28,740)
Dividends paid	(27,568)	-	-	-	(27,568)
New bank loans	1,527,930	-	-	-	1,527,930
Repayment of bank loans	(1,039,961)	-	-	-	(1,039,961)
Loans from the Remaining Group	-	(25,704)	-	25,704	-
Capital element of finance lease payments	(378)	-	-	-	(378)
Net cash flows from financing activities	189,704	(25,704)	-	25,704	189,704
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS					
Cash and cash equivalents at beginning of year	573,494	(235)	-	-	573,259
Effect of foreign exchange rate changes, net	(12,729)	8	-	-	(12,721)
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,677,500	(273)	3,505,943	-	5,183,170
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and bank balances	1,674,493	(273)	3,505,943	-	5,180,163
Non-pledged time deposits	55,587	-	-	-	55,587
Cash and bank balances as stated in the consolidated statement of financial position	1,730,080	(273)	3,505,943	-	5,235,750
Non-pledged time deposits with original maturity of more than three months when acquired	(52,580)	-	-	-	(52,580)
Cash and bank balances at end of year	1,677,500	(273)	3,505,943	-	5,183,170

NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE
REMAINING GROUP

- (1) The unaudited consolidated statement of financial position of the Group as at 30 September 2016 was extracted from the interim report of the Company for the six months ended 30 September 2016 dated 29 November 2016. The audited consolidated statement of profit or loss, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2016 were extracted from the annual report of the Company for the year ended 31 March 2016 dated 28 June 2016.
- (2) These adjustments represent the exclusion of assets and liabilities of the Target Group as at 30 November 2016, assuming the Disposal had taken place on 30 September 2016. The assets and liabilities of the Target Group as at 30 November 2016 were extracted from the unaudited consolidated statement of financial position of the Target Group as set out in Appendix II to the Circular, except for the following items with reconciliation as shown below:

	<i>HK\$'000</i>
Due to an intermediate holding company as set out in Appendix II	265,116
Due to a fellow subsidiary as set out in Appendix II	98,314
	<hr/>
Due to the Remaining Group as set out in Appendix III	363,430
	<hr/> <hr/>

- (3) These adjustments represent (i) the estimated gross proceeds from the Disposal of HK\$3,581 million; (ii) the estimated transaction costs directly attributable to the Disposal of approximately HK\$75 million; and (iii) the estimated gain on the disposal of the Target Group as if the Disposal had taken place on 30 September 2016.

The calculation of the estimated gain on the disposal of the Target Group to be recognised in the statement of profit or loss, as if the Disposal had taken place on 30 September 2016, is as follows:

	<i>Notes</i>	<i>HK\$'000</i>
Cash consideration	<i>(i)</i>	3,581,269
Less: Assignment of Sale Loans to the Purchaser	<i>(ii)</i>	(363,430)
Less: Net assets value of the Target Group as at 30 November 2016	<i>(iii)</i>	(110,709)
Less: Non-controlling interests of the Target Group as at 30 November 2016	<i>(iii)</i>	61,727
Add: Release of exchange fluctuation reserve of the Target Group	<i>(iv)</i>	50,084
		<hr/>
		3,218,941
Less: Estimated transaction costs directly attributable to the Disposal	<i>(v)</i>	(75,326)
Less: Estimated project development costs	<i>(vi)</i>	(443,378)
		<hr/>
Estimated gain on the Disposal before taxation as if the Disposal had taken place on 30 September 2016		2,700,237
Less: Estimated tax provision	<i>(vii)</i>	(338,903)
		<hr/>
Estimated gain on the Disposal after taxation as if the Disposal had taken place on 30 September 2016		2,361,334
		<hr/> <hr/>

Notes:

- (i) The consideration is subject to adjustment in accordance with the Agreement. The amount represents the best estimate of the directors of the Company.
- (ii) This represents the amounts due to the Remaining Group as at 30 November 2016 to be assigned to the Purchaser in accordance with the Agreement, as if the Disposal had taken place on 30 November 2016.
- (iii) The amounts of net assets of the Target Group and the Group's non-controlling interests in the Target Group were extracted from the unaudited consolidated statement of financial position of the Target Group as at 30 November 2016, as further set out in Appendix II to the Circular.

- (iv) The amount represents exchange fluctuation reserve of the Target Group to be released to profit or loss as if the Disposal had taken place on 30 September 2016.
- (v) The transaction costs represent commission and professional fees directly attributable to the Disposal and it is assumed that the fees will be settled by cash.
- (vi) The amount represents development costs related to the Disposal which shall be settled by the Remaining Group.
- (vii) The amount represents taxes directly attributable to the Disposal estimated by the directors of the Company.

The movement in reserves as a result of pro forma adjustments (notes (2) and (3)) represents gain on Disposal of HK\$2,361 million, offset by release of exchange fluctuation reserve of HK\$50.0 million, assuming the Disposal had taken place on 30 September 2016. Actual gain arising from the Disposal depends on final adjustment to the consideration, actual amount of net assets of the Target Group and actual amount of exchange fluctuation reserve of the Target Group to be released to profit or loss on the completion date. Therefore, the actual gain on disposal shall be different to the amount calculated in the above table.

- (4) These adjustments represent the exclusion of the results of the Target Group for the year ended 31 March 2016, which were extracted from the unaudited consolidated statement of profit or loss and the unaudited consolidated statement of comprehensive income of the Target Group for the year ended 31 March 2016 as set out in Appendix II to the Circular, assuming the Disposal had taken place on 1 April 2015. The adjustment is not expected to have a continuing effect on the Remaining Group.
- (5) These adjustments represent (i) the estimated gross proceeds from the Disposal of HK\$3,581 million; (ii) the estimated transaction costs directly attributable to the Disposal of approximately HK\$75 million; and (iii) the estimated gain on the disposal of the Target Group as if the Disposal had taken place on 1 April 2015. The adjustments are not expected to have a continuing effect on the Remaining Group.

The calculation of the estimated gain on disposal of the Target Group to be recognised in profit or loss, as if the Disposal had taken place on 1 April 2015, is as follows:

	<i>Notes</i>	<i>HK\$'000</i>
Cash consideration	<i>(i)</i>	3,581,269
Less: Assignment of Sale Loans to the Purchaser	<i>(ii)</i>	(321,782)
Less: Net assets value of the Target Group as at 1 April 2015	<i>(iii)</i>	(153,117)
Less: Non-controlling interests of the Target Group as at 1 April 2015	<i>(iii)</i>	68,696
Add: Release of exchange fluctuation reserve of the Target Group	<i>(iv)</i>	85,424
		<u>3,260,490</u>
Less: Estimated transaction costs directly attributable to the Disposal	<i>(v)</i>	(75,326)
Less: Estimated project development costs	<i>(vi)</i>	(457,443)
		<u>2,727,721</u>
Estimated gain on the Disposal before taxation as if the Disposal had taken place on 1 April 2015		2,727,721
Less: Estimated tax provision	<i>(vii)</i>	(338,903)
		<u>2,388,818</u>

Notes:

- (i) The consideration is subject to adjustment in accordance with the Agreement. The amount represents the best estimate of the directors of the Company.
- (ii) This represents the amounts due to the Remaining Group as at 1 April 2015 to be assigned to the Purchaser in accordance with the Agreement, as if the Disposal had taken place on 1 April 2015.

- (iii) The amounts of net assets of the Target Group and the Group's non-controlling interests in the Target Group were extracted from the unaudited consolidated statement of financial position of the Target Group as at 31 March 2015, as further set out in Appendix II to the Circular.
- (iv) The amount represents exchange fluctuation reserve of the Target Group to be released to profit or loss as if the Disposal had taken place on 1 April 2015.
- (v) The transaction costs represent commission and professional fees directly attributable to the Disposal and it is assumed that the fees will be settled by cash.
- (vi) The amount represents development costs related to the Disposal which shall be settled by the Remaining Group.
- (vii) The amount represents taxes directly attributable to the Disposal estimated by the directors of the Company.

Actual gain arising from the Disposal depends on final adjustment to the consideration, actual amount of net assets of the Target Group and actual amount of exchange fluctuation reserve of the Target Group to be released to profit or loss on the completion date. Therefore, the actual gain on disposal shall be different to the amount calculated in the above table.

- (6) These adjustments represent the exclusion of the cash flows of the Target Group for the year ended 31 March 2016, which were extracted from the unaudited consolidated statement of cash flows of the Target Group for the year 31 March 2016 as set out in Appendix II to the Circular, assuming the Disposal had taken place on 1 April 2015, except for the following items with reconciliation as shown below:

	<i>HK\$'000</i>
Loans from an intermediate holding company as set out in Appendix II	20
Loans from a fellow subsidiary as set out in Appendix II	25,684
	25,704
Loans from the Remaining Group as set out in Appendix III	25,704

The adjustments are not expected to have a continuing effect on the Remaining Group.

- (7) This represents the reclassification adjustment for the loans granted by the Remaining Group to the Target Group for the year ended 31 March 2016, assuming the Disposal had taken place on 1 April 2015. The adjustment is not expected to have a continuing effect on the Remaining Group.
- (8) This represents the adjustment for the effect of the 31.91% non-controlling interest in Hon Kwok on the pro forma adjustments (2) and (3), assuming the Disposal had taken place on 30 September 2016.
- (9) This represents the adjustment for the effect of the 31.91% non-controlling interest in Hon Kwok on the pro forma adjustments (4) and (5), assuming the Disposal had been taken place on 1 April 2015.

The following is the text of a report received from the reporting accountant, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular in respect of the unaudited pro forma financial information of the Remaining Group.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**



To the Directors of Chinney Investments, Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Chinney Investments, Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 September 2016, and the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited consolidated statement of cash flows for the year ended 31 March 2016, and related notes as set out on pages 35 to 42 in Appendix IV of the circular dated 9 May 2017 (the “Circular”) issued by the Company (the “Unaudited Pro Forma Financial Information”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix IV of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed disposal of the entire issued share capital of Smooth Ever Investments Limited and certain loans receivable as further set out in the Circular (the “Disposal”) on the Group’s financial position as at 30 September 2016 and the Group’s financial performance and cash flows for the year ended 31 March 2016 as if the Disposal had taken place at 30 September 2016, 1 April 2015 and 1 April 2015 respectively. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s unaudited interim financial statements for the six months ended 30 September 2016 and information about the Group’s financial performance and cash flows has been extracted by the Directors from the Group’s financial statements for the year ended 31 March 2016, on which an audit report has been published.

Directors’ responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to

Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality control

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

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

Reporting accountants’ responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

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

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

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal 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 Disposal 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 Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young

Certified Public Accountants

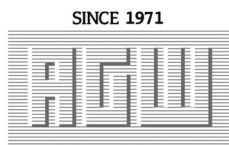
22/F, CITIC Tower

1 Tim Mei Avenue

Central, Hong Kong

9 May 2017

The following is the text of a letter and valuation certificate, prepared for inclusion in this circular, received from an independent valuer, in connection with their opinion of value of the Land as at 28 February 2017.



A.G. WILKINSON & ASSOCIATES (SURVEYORS) LIMITED

章 堅 信 測 量 師 行 有 限 公 司

Unit 2701, 27/F, The Center, 99 Queen's Road Central, Hong Kong.

Tel: 2521-6467 Fax: 2845-2642, 2804-6352 www.agwilkinson.com E-mail: e@agw.com.hk

May 9, 2017

Our Ref: 17/VT/00243

The Directors
Chinney Investments, Limited
23rd Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

Dear Sirs,

Re: The land on which the real estate development is intended to be developed, namely:

- (a) **One parcel of land situated at the wireless mould factory, Dongguang Zhuang, Tian He District, Guangzhou City, the PRC;**
- (b) **One parcel of land situated at Dongguang Zhuang, Tian He District, Guangzhou City, the PRC; &**
- (c) **The municipal road land and the city public green belt land outside of the scope of the foregoing two parcels of the land.**

“the subject properties”

In accordance with your instructions from Chinney Investments, Limited (referred to as the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for us to value the captioned property interests in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of the market value of the property interests as at **February 28, 2017** (referred to as the “Valuation Date”).

Our valuation of the subject properties is our opinion of the Market Value, which is defined by the International Valuation Standards and followed by the HKIS Valuation Standards (2012 Edition) 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 cost of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

We have valued the subject properties by using Comparison Method of valuation by making reference to comparable market site transactions as reported in the market at similar location. Appropriate adjustments have been made between the subject properties and the comparables for all relevant factors, such as location, site condition, size, view, zoning, accessibility, development scale and time difference, etc.

Our valuations have been made on the assumption that the owners sell the property interests on the open market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of the property interests.

In the course of our valuation, we have assumed that the land use rights permitted for the unexpired term of the land will continue and that, all required premium had already been fully paid. We are not in a position to ascertain the establishment of title of the properties but have relied on the advice given by the Group’s appointed PRC lawyer (**i.e. Guangdong Holdwin Law Firm**) regarding the Group’s interests in the subject properties and the title of properties are assumed to be good, transferable and marketable.

We have taken reasonable steps and our best effort to verify all data, information and sources of information being relied upon in the preparation of the valuation, including matters as planning approvals, statutory notices, easements, tenure, identification of property, agreements, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation report attached are based on information contained in the documents provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which are material to the valuations. We were also advised by the Group that no material facts have been omitted from the information supplied. Unless otherwise stated, the conversion factor of 1 square metre to 10.764 square feet is adopted. All money amounts stated are in Renminbi.

In accordance with the information provided by the Group and the legal opinion of the Group's appointed PRC lawyer, the status of title and the grant of major approvals and licences in respect of the subject properties are summarized below:–

Certificate for the Use of State-owned Land	Yes
Grant Contract of Land Use Rights	Yes
Red-line Drawing	N/A
Permit for Construction Land	Yes
Planning Permit for Construction Works	Yes
Business Licence	Yes

We have inspected the subject properties, on March 7, 2017. The inspection was carried out by our Director of Valuation and Consultancy Services, Sr. Ringo C.C. Lam. However, we have not carried out investigations on the site to determine the suitability of the ground conditions and the services etc. for any future development. We have not been able to carry out detailed on-site area checks in respect of the properties but have assumed that the site areas and floor areas shown on the documents handed to us are correct.

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

Our valuations have been prepared in accordance with the HKIS Valuation Standards (Edition 2012), the relevant provisions in the Companies Ordinance and the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board), Chapter 5 and Practice Note 12.

We attach herein our Summary of Valuation and our Valuation Certificate.

Yours faithfully,

For and on behalf of

A.G. WILKINSON & ASSOCIATES (SURVEYORS) LIMITED

Sr. Ringo C.C. Lam

B.Sc.(Hons), M.C.I.R.E.A., F.H.K.I.S., R.P.S. (GP)

Director of Valuation and Consultancy Services

RL/AL/LF/jy

Note: Sr. Ringo C.C. Lam is a Registered Professional Surveyor (General Practice Division) in the Hong Kong Special Administrative Region of The People's Republic of China. He is a Professional Member of the China Institute of Real Estate Appraisers and a Fellow Member of The Hong Kong Institute of Surveyors. He joined this professional practice since 1995 and he had about 24 years of post qualification experience in General Practice Surveying in Hong Kong and about 20 years of post qualification experience in valuing properties in the Mainland of the PRC.

He is currently on the "List of Property Valuer for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in connection with Takeovers and Mergers" of The Hong Kong Institute of Surveyors.

SUMMARY OF VALUATION

Properties	Market Value as at February 28, 2017
The land on which the real estate development is intended to be developed, namely:	
(a) One parcel of land situated at the wireless mould factory, Dongguang Zhuang, Tian He District, Guangzhou City, the PRC;	
(b) One parcel of land situated at Dongguang Zhuang, Tian He District, Guangzhou City, the PRC; &	
(c) The municipal road land and the city public green belt land outside of the scope of the foregoing two parcels of the land.	
	<hr/> Total: RMB5,003,500,000 <hr/> <hr/>

Note: The properties were valued at RMB5,003,500,000 (RENMINBI FIVE BILLION THREE MILLION AND FIVE HUNDRED THOUSAND) by A.G. Wilkinson & Associates (Surveyors) Limited, as at **February 28, 2017**, on the basis of market value, in accordance with the HKIS Valuation Standards (2012 Edition), the relevant provisions in the Companies Ordinance and the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board), Chapter 5 and Practice Note 12.

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Market Value as at February 28, 2017
	The land on which the real estate development is intended to be developed, namely:	The land is currently vacant.	RMB5,003,500,000
(a) One parcel of land situated at the wireless mould factory, Dongguang Zhuang, Tian He District, Guangzhou City, the PRC;	The land comprises three parcels of land adjoining together, making a merged development site with a total site area of approximately 95,382 square metres (1,026,692 square feet). The merged site is permitted for residential use, commercial, tourism, entertainment & other uses.	A majority of the land is covered with grasses and vegetation at the time of our inspection.	
(b) One parcel of land situated at Dongguang Zhuang, Tian He District, Guangzhou City, the PRC; &	The Net Construction Site Area is approximately 79,740 square metres (858,321 square feet), which can be held for future real estate development.		
(c) The municipal road land and the city public green belt land outside of the scope of the foregoing two parcels of the land.	The property (a) is granted from September 30, 2004 and the land use rights term is listed as Notes No. 1.		
	The property (b) is granted from March 3, 2005 and the land use rights term is listed as Notes No. 2.		

Notes:

- For Property (a) – Pursuant to a Certificate for State-owned Land Use Rights (No. Suiguo Yong (2004) Di 10039 Hao) issued by the Guangzhou Municipal Government, Land Resources and Housing Management Bureau, the land use rights of the property, having a site area of approximately 39,312 square metres was vested with Guangzhou Honkwok Hengsheng Land Development Ltd. dated November 17, 2004. The land use rights term of the land is listed as the following:–

Land Use	Land Use Rights Term	Commencing Date
Residential	70 years	September 30, 2004
Commercial	40 years	September 30, 2004
Tourism & Entertainment	40 years	September 30, 2004
Others	50 years	September 30, 2004

- For Property (b) – Pursuant to a Certificate for State-owned Land Use Rights (No. Suiguo Yong (2005) Di 10017 Hao) issued by the Guangzhou Municipal Government, Land Resources and Housing Management Bureau, the land use rights of the property, having a site area of approximately 56,070 square metres was vested with Guangzhou Honkwok Hengsheng Land Development Ltd. dated March 17, 2005. The land use rights term of the land is listed as the following:–

Land Use	Land Use Rights Term	Commencing Date
Residential	70 years	March 3, 2005
Commercial	40 years	March 3, 2005
Tourism & Entertainment	40 years	March 3, 2005
Others	50 years	March 3, 2005

3. Pursuant to a Reply Letter for Detailed Construction Planning Proposal (Sui Gui Pi (2012) No. 112) issued by the Guangzhou Planning Bureau dated June 26, 2012, the subject properties were approved with a detailed planning and construction arrangement for property development, which are summarized as the following:

Major Particulars	Site/Area/Gross Floor Area
Total Land Area:	96,410 square metres
Exclusive of Municipal Road & Green Belt Area:	16,670 square metres
Net Construction Site Area:	79,740 square metres
Plot Ratio:	3.33 (based on 79,740 square metres)
Plot Ratio Gross Floor Area:	265,768 square metres

The parking provision is including 2,658 car parking spaces, 1 loading/unloading space, 24 taxi berths and 2,658 motor cycle parking spaces.

4. We have been provided with a legal opinion regarding the subject properties which was prepared by the Company's PRC Lawyer (Guangdong Holdwin Law Firm), including but not limited to the following:

- (i) Guangzhou Honkwok Hengsheng Land Development Ltd. is a valid company having been legally established and effectively operated with limited liability under the PRC Law.

This company has two (2) shareholders, namely (a) Guangzhou Hengsheng Group Co. Ltd., which holds 25% of the shares; & (b) Cityland Holdings Limited, which holds 75% of the shares. The paid up capitals for the respective 25% and 75% were fully paid already. The profit sharing arrangement for company (a) and (b) are therefore 25% and 75% respectively based on interpretation of PRC Law.

- (ii) Guangzhou Honkwok Hengsheng Land Development Ltd. has vested legal title of the land use rights of the following two pieces of land.

(a) Real Estate Registration No.:
2004 Guo Yong Zi 10039 Hao Tudi, Plan No.: D3401

(b) Real Estate Registration No.:
2005 Guo Yong Zi 10017 Hao Tudi, Plan No.: D3406

- (iii) Due to the dispute raised by a previously interested party of the subject properties relating to the joint property development, an arbitration (Case No. C2010 Sui Zhong An Zi Di 2828 Hao) which involved four parties, namely Cityland Holdings Limited, Guangzhou Honkwok Hengsheng Land Development Ltd., Guangzhou Gecom Group Co., Ltd. and Guangzhou Hengsheng Group Co. Ltd., actually happened. In March 23, 2011, Guangzhou Gecom Group Co., Ltd. initiated an action in the Guangzhou Arbitration Commission for an Application for Protection of Property Interests. The Guangzhou Intermediate People's Court subsequently made an Civil Award (2011) (Sui Zhong Fa Zhi Zi Di 764 Hao) with a decision that Guangzhou Honkwok Hengsheng Land Development Ltd.'s land use rights over the land in Dongguang Zhuang with a Certificate for State-owned Land Use Rights, (No. Suiguo Yong (2005) Di 10017 Hao) having a section of land area of 24,067.3 square metres would be subject to a freeze order. The Court's decision to freeze the land use rights of the concerned property was made repeatedly in April 2013, April 2014 and May 2015 to the effect that the 24,067.3 square metres of land use rights will be frozen till May 18, 2018. It is advised that during the period of time for the freeze of the land use rights, disposal of the land that is subject to the freeze order is prohibited. Nevertheless, transfer of shares in Guangzhou Honkwok Hengsheng Land Development Ltd. will not be affected by the Court's freeze order.

- (iv) For Property (c), by reference to the Permit for Construction Land (Sui Guo Tu Jian Yong Zi [2012] No. 11) and the official web site of the Guangzhou Municipal Land Resources and Planning Committee (<http://www.gzlpc.gov.cn/>), it was noted that a small section of land use rights with land area of 1,168 square metres within the Dongguang Zhuang Project Area (Plan No. D3406-2) was subject to the Guangzhou Honkwok Hengsheng Land Development Ltd.'s acquisition for Roadworks and Public Green Land usage together with the related construction work. The project was scheduled to complete on or before January 20, 2015. There was no legal requirement for this piece of acquired land to have any land use right certificate. In the event there will be some persons or organizations successfully claiming their affected property rights over this section of land in the future, the Land User (i.e. Guangzhou Honkwok Hengsheng Land Development Ltd.) will compensate the affected party(s) in accordance with the relevant PRC Rules on Compensation and the acquired land shall be handed over to the relevant authorities for their management after completion of the related works.
5. We have based on the PRC legal opinion prepared our valuation on the following assumptions:
- (i) The various use of the land (i.e. residential, club house and supporting public construction usage) will be continued for the unexpired term as permitted in the Certificate for State-owned Land Use Rights. There is no further need to pay any additional premium/penalty fee.
- (ii) Guangzhou Honkwok Hengsheng Land Development Ltd. possesses a vested legal title of the subject properties which are assumed to be good, transferable and marketable.
- (iii) All land premium and cost of ancillary utilities services have been settled in full.
- (iv) Part of Property (b) (i.e. 2005 Guo Yong Zi 10017 Hao Tudi, Plan No.: D3406) with land area of about 24,067.3 square metres, is still subject to the Guangzhou Intermediate People's Court's freeze order. The relevant land will be frozen till May 18, 2018. In our valuation, we have assumed that the subject properties are free from this encumbrance.
- (v) For Property (c), we have assumed that the construction work for Roads and Public Green Land with an area of 1,168 square metres had already been completed and that no extra premium or cost will be incurred by the Group.
6. In accordance with information provided by the Group, there will be a consent notice or other form of approval, obtainable from competent PRC authority(ies) confirming that the plot ratio of the Land to be increased by a residential GFA of 18,829 square metres by reason of arrangements for transfer of plot ratio from a real estate project undertaken by the Group's subsidiary company in Guangzhou.
- In the event the transfer of plot ratio will be confirmed, the total Gross Floor Area of the Dongguang Zhuang Project will be increased to 284,597 square metres (i.e. 265,768 sq.m. + 18,829 sq.m.). As such, on the assumption that the arrangement for the transfer of plot ratio GFA had already been confirmed as at the valuation date (i.e. February 28, 2017), the market value of the Land will be increased by RMB407,800,000, making a grand total of RMB5,411,300,000.
7. We confirm that we are independent and we are not aware of any involvement, nor any conflict of interest, previously or current, which are material in performing this valuation instruction from the Group.

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**Directors' interests and short positions in the shares and underlying shares of the Company**

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 and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required 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 are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in the ordinary shares of the Company

Name of director	<i>Note</i>	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued shares
James Sai-Wing Wong	<i>1</i>	Through controlled corporations	348,763,324	63.25
		Beneficially owned	480,000	0.09
William Chung-Yue Fan		Beneficially owned	1,882,285	0.34

(b) Long positions in the ordinary shares of associated corporations of the Company

Name of director	Notes	Name of associated corporation	Capacity and nature of interest	Number of ordinary shares/amount of paid-up registered capital held	Percentage of the associated corporation's issued shares/paid-up registered capital
James Sai-Wing Wong	2	Hon Kwok	Through controlled corporation	502,262,139	69.72
	3	Guangzhou Honkwok Fuqiang Land Development Ltd.	Through controlled corporations	RMB185,000,000	100.00
	4	Chinney Alliance	Through controlled corporations	436,860,216	73.43
	5	Chinney Holdings	Through controlled corporation	9,900,000	99.00
		Chinney Holdings	Beneficially owned	100,000	1.00
		Lucky Year	Beneficially owned	20,000	100.00
Herman Man-Hei Fung	6	Chinney Trading Company Limited	Through controlled corporations	10,400	80.00
		Hon Kwok	Beneficially owned	1,100,000	0.15

Notes:

- These shares are beneficially held by Chinney Holdings, which is a subsidiary of Lucky Year. James Sai-Wing Wong is a director of Lucky Year and has beneficial interests therein.*
- Out of the 502,262,139 shares, 490,506,139 shares are beneficially held by the Company. By virtue of note 1, James Sai-Wing Wong is deemed to be interested in these shares. The remaining 11,756,000 shares are held by Chinney Capital Limited of which James Sai-Wing Wong is a director and has beneficial interests therein.*
- Out of the RMB185,000,000 paid-up registered capital, RMB111,000,000 is held by a wholly-owned subsidiary of Hon Kwok and RMB74,000,000 is held by a company controlled by James Sai-Wing Wong. By virtue of note 2, James Sai-Wing Wong is deemed to be interested in this company.*
- Out of the 436,860,216 shares, 173,093,695 shares are held by a wholly-owned subsidiary of the Company and the remaining 263,766,521 shares are held by companies controlled by James Sai-Wing Wong. By virtue of note 1, James Sai-Wing Wong is deemed to be interested in these shares.*
- These shares are beneficially held by Lucky Year. By virtue of note 1, James Sai-Wing Wong is deemed to be interested in these shares.*
- Out of the 10,400 shares, 2,600 shares are held by a wholly-owned subsidiary of Hon Kwok and the remaining 7,800 shares are held by a company controlled by James Sai-Wing Wong. By virtue of note 2, James Sai-Wing Wong is deemed to be interested in this company.*

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required 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 are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, the following Directors were a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) James Sai-Wing Wong is director of each of Chinney Holdings and Lucky Year;
- (b) Herman Man-Hei Fung is director of each of Chinney Holdings and Lucky Year; and
- (c) James Sing-Wai Wong is director of each of Chinney Holdings and Lucky Year.

Save as disclosed, 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 and underlying shares of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Other persons' interests and short positions in shares and underlying shares

As at the Latest Practicable Date and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company), who had interests or short positions 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 issued voting shares of any other member of the Group and any options in respect thereof:

- (a) in the ordinary shares of the Company:

Name	<i>Notes</i>	Capacity and nature of interest	Number of ordinary shares held	Percentage of the Company's issued shares
Lucky Year	<i>1 & 2</i>	Through controlled corporation	348,763,324	63.25
Chinney Holdings	<i>1 & 2</i>	Directly beneficially owned	348,763,324	63.25

Notes:

1. All the interests stated above represent long positions.
 2. Lucky Year and Chinney Holdings are deemed to be interested in the same parcel of shares by virtue of Section 316 of the SFO.
- (b) in 10% or more of the issued voting shares of any other member of the Group and any options in respect thereof:

Name of shareholder	Name of member of the Group in which interest held	Approximate percentage of equity interested
Sharp Billion Development Limited	Guangzhou Honkwok Fuqiang Land Development Ltd.	40.00
Hengsheng Group Co.	Guangzhou Honkwok Hengsheng Land Development Ltd.	25.00

Save as disclosed herein and as at the Latest Practicable Date, none of the Directors and chief executive of the Company was aware of any person (other than a Director or chief executive of the Company), who had interests or short positions 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 issued voting shares of any other member of the Group and any options in respect thereof.

3. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS

The Company entered into a management contract with Hon Kwok for the provision of general corporate management services. The contract is for an unspecified duration and may be terminated by either party by giving the other party two-month written notice. A management fee of HK\$10,000,000 was received from Hon Kwok for the year ended 31 March 2016. James Sai-Wing Wong is a director and has beneficial interests in Hon Kwok through his interests in the Company. Herman Man-Hei Fung is also a director and has beneficial interests in Hon Kwok.

Further, as jointly announced by the Company and Hon Kwok on 9 May 2016 and pursuant to the circular in relation thereto dated 20 June 2016, an indirect wholly-owned subsidiary of Hon Kwok had entered into separate agreements with two vendors to acquire their respective offshore holding companies each holding 50% indirect interest in a property situated in Guangzhou, the PRC, for a total consideration of HK\$137,590,000. One of the aforesaid vendors is 100% beneficially owned by James Sai-Wing Wong.

In addition, as jointly announced by the Company, Hon Kwok and other two group listed companies on 20 September 2016 and pursuant to the circular in relation thereto dated 21 October 2016, an indirect wholly-owned subsidiary of Hon Kwok had entered into an agreement with a contractor to engage such contractor to carry out the foundation construction works on a parcel of land situated at and known as K.C.T.L. 495, Kin Chuen Street, Kwai Chung, New Territories, Hong Kong (the “**Foundation Construction Works**”) for a total contract sum of HK\$210,000,000. Such contractor is 74.50% beneficially owned by Chinney Alliance in which James Sai-Wing Wong is beneficially interested in approximately 73.43% of its issued shares (including those interests held through the Company).

So far as the Directors are aware and, save as disclosed as aforesaid, as at the Latest Practicable Date:

- (a) none of the Directors had any material direct or indirect interest in any assets which have been, since 31 March 2016 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement subsisting which was significant in relation to the business of the Group.

4. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that James Sai-Wing Wong, the Chairman of the Company, has deemed interests and holds directorships in companies engaged in the business of property investment and garment merchandising and trading. In this respect, James Sai-Wing Wong is regarded as being interested in business which might compete with the Group.

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 or their close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Company or any of its subsidiaries within 1 year without payment of compensation (other than statutory compensation).

6. LITIGATION

So far as the Directors are aware and save as disclosed in the latest published audited financial statements of the Group, there are no litigation or claims of material importance pending or threatened against any member of the Group as at the Latest Practicable Date.

7. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given their opinions and advice which are included in this circular:

Name	Qualification
A.G. Wilkinson	Property valuer
Ernst & Young	Certified Public Accountants
Guangdong Holdwin Law Firm ("Guangdong Holdwin")	The PRC lawyer

- (a) As at the Latest Practicable Date, none of A.G. Wilkinson, Ernst & Young and Guangdong Holdwin has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.
- (b) Each of A.G. Wilkinson, Ernst & Young and Guangdong Holdwin has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of its letter or references to its name in the form and context in which they are included.
- (c) None of A.G. Wilkinson, Ernst & Young and Guangdong Holdwin has any direct or indirect interest in any assets which have been, since 31 March 2016 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group which are or may be material within the 2 years immediately preceding the date of this circular:

- (a) the agreement dated 9 May 2016 entered into between True Light Enterprises Limited (an indirect wholly-owned subsidiary of Hon Kwok) as purchaser and assignee and Rich Fate Limited as vendor and assignor in respect of the acquisition of the entire issued share capital of Right Colour Limited and the assignment of related shareholder's loan of HK\$4,679,999 at the consideration of HK\$68,795,000, further details of which are set out in the joint announcement of the Company and Hon Kwok dated 9 May 2016 and circular of the Company dated 20 June 2016.

- (b) the agreement dated 9 May 2016 entered into between True Light Enterprises Limited (an indirect wholly-owned subsidiary of Hon Kwok) as purchaser and assignee and Pine International Limited as vendor and assignor in respect of the acquisition of the entire issued share capital of Network Success Limited and the assignment of related shareholder's loan of HK\$4,679,999 at the consideration of HK\$68,795,000, further details of which are set out in the joint announcement of the Company and Hon Kwok dated 9 May 2016.
- (c) the framework agreement dated 20 September 2016 entered into between Kin Wing Foundations Limited as contractor and Gold Famous Development Limited (an indirect wholly-owned subsidiary of Hon Kwok) as employer in relation to the Foundation Construction Works, further details of which are set out in the joint announcement of the Company, Hon Kwok and other two group listed companies dated 20 September 2016 and circular of the Company dated 21 October 2016.
- (d) the Agreement.

9. GENERAL

- (a) The company secretary of the Company is Louisa Kai-Nor Siu who is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants.
- (b) The registered office of the Company is situated at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong.
- (c) The Company's share registrar is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In the event of any inconsistency, the English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on a business day in Hong Kong at the registered office of the Company at 23rd Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the Agreement;
- (b) the articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 March 2014, 2015 and 2016;

- (d) the report on the unaudited pro forma financial information of the Remaining Group issued by Ernst & Young as set out in Appendix IV to this circular;
- (e) the valuation report and the valuation certificate on the Land issued by A.G. Wilkinson as set out in Appendix V to this circular;
- (f) the material contracts as referred to under the section headed “Material Contracts” in this appendix;
- (g) the written consents as referred to under the section headed “Experts and Consents” in this appendix;
- (h) the circular of the Company dated 21 October 2016 in relation to the Foundation Construction Works; and
- (i) this circular.

NOTICE OF EGM



建業實業有限公司 Chinney Investments, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 216)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Chinney Investments, Limited (the “Company”) will be held at Full Moon Shanghai Restaurant, Macau Jockey Club, 3rd Floor, East Wing, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Thursday, 25 May 2017 at 4:00 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the agreement dated 19 January 2017 (the “**Agreement**”) entered into between Cheerworld Group Limited as vendor (the “**Vendor**”), Hon Kwok Land Investment Company, Limited (漢國置業有限公司) as guarantor of the Vendor and Sunshine City Group Co., Ltd. as purchaser (the “**Purchaser**”), pursuant to which, among other things, the Vendor has conditionally agreed to sell the entire issued share capital of Smooth Ever Investments Limited and procure the assignment of related loans, which comprise (i) an onshore loan owing by Guangzhou Honkwok Hengsheng Land Development Ltd. (廣州市漢國恒生房地產開發有限公司) to Hon Kwok Land Investment (Shenzhen) Co., Ltd. (漢國置業(深圳)有限公司) (the “**Onshore Loan Assignor**”) as at the date of Completion; and (ii) an offshore loan owing by Smooth Ever Investments Limited to Hon Kwok Land Investment (China) Limited (漢國置業(中國)有限公司) (the “**Offshore Loan Assignor**”) as at the date of Completion, from the Onshore Loan Assignor and the Offshore Loan Assignor to the Purchaser at an aggregate cash consideration of the Hong Kong Dollar equivalent of approximately RMB3,181,241,120 subject to adjustments (a copy of the Agreement has been produced to the meeting and marked “A” and initialled by the Chairman of the meeting for the purpose of identification), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any director of the Company be and is hereby authorised for and on behalf of the Company to sign and execute all such other documents, instruments and agreements and to do all such acts or things and to take all such steps as the director in his/her sole opinion and absolute discretion may consider necessary, appropriate, desirable or expedient to give effect to the Agreement and the transactions contemplated thereunder.”

By Order of the Board
Louisa Kai-Nor Siu
Company Secretary

Hong Kong, 9 May 2017

NOTICE OF EGM

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote instead of such member in accordance with the articles of association of the Company. A proxy need not be a member of the Company.
2. The register of members will be closed from Monday, 22 May 2017 to Thursday, 25 May 2017 (both days inclusive), during which period no share transfers will be registered. In order to qualify to attend and vote at the EGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 19 May 2017.
3. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
4. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be completed and deposited with the Company's share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof.
5. In the case of joint holders of a share, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such holders is present at the above meeting personally or by proxy, that one of such holders so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.