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**If you have sold or transferred** all your shares in Chuang's China 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 registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Chuang's China Investments Limited**  
(莊士中國投資有限公司)  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 298)

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
THE SALE AND PURCHASE OF ENTIRE REGISTERED CAPITAL OF  
DONGGUAN MIDAS PRINTING COMPANY LIMITED**

Financial adviser to Chuang's China Investments Limited



**SOMERLEY CAPITAL LIMITED**

Independent financial adviser to  
the Independent Board Committee and the Independent Shareholders



**上銀國際有限公司**  
**BOSC International Company Limited**

A letter from the Board is set out on pages 5 to 13 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from BOSC International Company Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, containing its advice in respect of the Proposed Transaction is set out on pages 16 to 25 of this circular.

A notice convening the SGM to be held at 10:00 a.m. on Friday, 29 May 2015 at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is also enclosed. Whether or not you are able to attend the SGM, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Progressive 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 SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

13 May 2015

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## DEFINITIONS

*Terms or expressions used in this circular shall, unless the context otherwise requires, have the meanings ascribed to them below:*

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning no.8 or above or a “black” rainstorm warning is hoisted at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business
“CCIL”	Chuang’s Consortium International Limited, its issued shares are listed on the Main Board of the Stock Exchange (stock code: 367)
“CCIL Board”	the board of directors of CCIL
“CCIL Group”	CCIL and its subsidiaries, including the Group and the Midas Group
“CCRL”	Chuang’s China Realty Limited, a company incorporated in Bermuda with limited liability and a direct wholly-owned subsidiary of the Company
“Circular”	this shareholders’ circular issued by the Company in accordance with the Listing Rules in respect of, <i>inter alia</i> , the Sale and Purchase Agreement and the transactions contemplated thereunder
“Company”	Chuang’s China Investments Limited, its issued shares are listed on the Main Board of the Stock Exchange (stock code: 298)
“Completion”	completion of the Sale and Purchase Agreement and the transactions contemplated thereunder
“Completion Accounts”	the unaudited accounts of Dongguan Midas for the period commencing from 1 January 2015 and ending on the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	consideration for the acquisition of the entire registered capital of Dongguan Midas to be paid by CCRL (or its nominee) under the Sale and Purchase Agreement

## DEFINITIONS

“Dah Hua”	Dah Hua Printing Press Company Limited, an indirect wholly-owned subsidiary of Midas
“Director(s)”	director(s) of the Company
“Dongguan Midas”	Dongguan Midas Printing Company Limited (東莞勤達印刷有限公司), a company established in the PRC and a direct wholly-owned subsidiary of Dah Hua
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee comprising Mr. Andrew Fan Chun Wah to advise the Independent Shareholders in relation to the Proposed Transaction
“Independent Financial Adviser”	BOSC International Company Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction
“Independent Shareholders”	shareholders of the Company other than CCIL and its associates
“Inter-company Balance”	the amount of indebtedness owing by Dah Hua to Dongguan Midas on the date of Completion
“Latest Practicable Date”	11 May 2015, being the latest practicable date prior to the despatch of the Circular for ascertaining certain information for inclusion in the Circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Midas”	Midas International Holdings Limited, its issued shares are listed on the Main Board of the Stock Exchange (stock code: 1172)
“Midas Group”	Midas and its subsidiaries
“Model Code”	the “Model Code for Securities Transactions by Directors of Listed Issuer” as set out in Appendix 10 to the Listing Rules

## DEFINITIONS

“Novation”	the novation of the Inter-company Balance from Dah Hua to CCRL (or its wholly-owned subsidiary) pursuant to an agreement to be entered into among Dah Hua, CCRL (or its wholly-owned subsidiary) and Dongguan Midas upon Completion
“NTAV”	the aggregate of the tangible assets of Dongguan Midas which is readily convertible into cash or cash equivalent including minor furnitures and fixtures, cash in bank, deposits, prepayments and third party receivables, but excluding the Property, the Inter-company Balance, the machineries, equipments and inventories currently installed or contained in the Property, less the aggregate of all liabilities (actual, contingent or otherwise) and provisions of Dongguan Midas as at the date of Completion as shown in the Completion Accounts
“Property”	a parcel of land located at Xiaobian Village, No. 64 Dezheng Middle Road, Changan, Dongguan, Guangdong Province, the PRC and all structures, buildings, land development now existing on the land including all construction and work in progress (if any)
“Proposed Transaction”	the sale and purchase of the entire registered capital of Dongguan Midas pursuant to the Sale and Purchase Agreement
“PRC”	The People’s Republic of China
“Sale and Purchase Agreement”	the sale and purchase agreement entered into among CCRL, Dah Hua, the Company and Midas dated 21 April 2015 pursuant to which Dah Hua conditionally agreed to sell, and CCRL conditionally agreed to purchase, the entire registered capital of Dongguan Midas
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	a special general meeting of the Company to be convened for the purposes of considering and, if thought fit, passing the necessary resolution(s) to approve, among other matters, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Shareholders”	holders of Shares
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company

## DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m.”	square metre
“%”	per cent

*For the purpose of illustration only, amounts denominated in RMB in the Circular have been translated into HK\$ at the rate of RMB1.00 = HK\$1.25. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.*

LETTER FROM THE BOARD



Chuang's China Investments Limited

(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

*Directors:*

Mr. Abraham Shek Lai Him G.B.S., J.P.\* (*Chairman*)

Mr. Albert Chuang Ka Pun (*Deputy Chairman*)

Miss Ann Li Mee Sum (*Managing Director*)

Mr. Chong Ka Fung

Mr. Sunny Pang Chun Kit

Mr. David Chu Yu Lin S.B.S., J.P.\*

Mr. Andrew Fan Chun Wah\*

\* *Independent non-executive directors*

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal office in Hong Kong:*

25th Floor, Alexandra House

18 Chater Road

Central

Hong Kong

13 May 2015

*To Shareholders,*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
THE SALE AND PURCHASE OF ENTIRE REGISTERED CAPITAL OF  
DONGGUAN MIDAS PRINTING COMPANY LIMITED**

**INTRODUCTION**

On 21 April 2015, the Board announced in a joint announcement with CCIL and Midas that CCRL (a direct wholly-owned subsidiary of the Company), Dah Hua (an indirect wholly-owned subsidiary of Midas), the Company and Midas entered into the Sale and Purchase Agreement in relation to the acquisition of the entire registered capital of Dongguan Midas by CCRL from Dah Hua.

The Independent Board Committee comprising Mr. Andrew Fan Chun Wah, being an independent non-executive Director, has been established to advise the Independent Shareholders in relation to the Proposed Transaction. Mr. Abraham Shek Lai Him is an independent non-executive director of both the Company and Midas and was interested in 30,000 shares of Midas as at the Latest Practicable Date. In addition, Mr. David Chu Yu Lin is an independent non-executive director of both CCIL and the Company. Accordingly, Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin have been excluded from the Independent

## LETTER FROM THE BOARD

Board Committee. BOSC International Company Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction.

The purpose of the Circular is to provide you with, among other things, (i) further details on the Proposed Transaction; (ii) the recommendation of the Independent Board Committee in relation to the Proposed Transaction; (iii) a letter of advice from BOSC International Company Limited to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction; (iv) valuation report on the Property; and (v) the notice of the SGM to be convened for the purpose of considering and approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

### SALE AND PURCHASE AGREEMENT

#### Date

21 April 2015 (after trading hours)

#### Parties

Purchaser: CCRL (or its nominee which is a wholly-owned subsidiary of CCRL)

Vendor: Dah Hua

Guarantor to purchaser: the Company

Guarantor to vendor: Midas

#### Subject asset

The entire registered capital of Dongguan Midas, being HK\$160 million, as at the date of the Sale and Purchase Agreement and on Completion.

#### Consideration

The Consideration (subject to adjustment) for the Proposed Transaction is RMB101,600,000 (equivalent to approximately HK\$127,000,000), which was arrived at after arm's length negotiations among the parties to the Sale and Purchase Agreement with reference to the preliminary valuation of the Property as at 31 March 2015 by an independent property valuer, and is subject to the following adjustment (the "**Adjustment**"):

- (1) there shall be added to the Consideration the amount (if any) by which the NTAV as shown in the Completion Accounts is greater than zero;
- (2) there shall be deducted from the Consideration the amount (if any) by which the NTAV as shown in the Completion Accounts is less than zero.



## LETTER FROM THE BOARD

It is expected that the Adjustment will not be material and therefore, as provided under the terms of the Sale and Purchase Agreement, the Consideration after the Adjustment shall not in any event exceed RMB103,000,000 (equivalent to approximately HK\$128,750,000). The Consideration will be financed by the Group's internal resources and will be settled in full in cash at Completion.

### **Novation of the Inter-company Balance**

As at the Latest Practicable Date, Dah Hua was indebted to Dongguan Midas in the aggregate amount of approximately RMB47.0 million (equivalent to approximately HK\$58.8 million). Pursuant to the terms of the Sale and Purchase Agreement, CCRL (or its wholly-owned subsidiary) will, upon Completion, execute an agreement with Dongguan Midas and Dah Hua such that CCRL (or its wholly-owned subsidiary) shall assume and perform the obligations of Dah Hua in relation to the Inter-company Balance at a consideration of RMB1 which is payable by Dah Hua to CCRL (or its wholly-owned subsidiary).

The major assets of Dongguan Midas comprised, among other things, mainly the Property of market value of RMB101.6 million and the Inter-company Balance of RMB47.0 million (being a receivable from Dah Hua). As such, the underlying value of Dongguan Midas is RMB148.6 million (before Adjustment). While the Consideration for the Proposed Transaction is RMB101.6 million, the Company considers that the Consideration is fair and reasonable on the basis that the Inter-company Balance of RMB47.0 million (being a liability owed by Dah Hua) is also being assumed by the Company as part of the Proposed Transaction.

The Inter-company Balance has no fixed terms of repayment. The assumption of the Inter-company Balance by way of Novation reduces cash outflow of CCRL upon Completion as Dongguan Midas will become a wholly-owned subsidiary of CCRL upon Completion and future repayment of the Inter-company Balance by CCRL to Dongguan Midas, if any, will not have any effect on the Group's cash balances as it is only an intra-group transfer of cash. Furthermore, the Novation is considered part and parcel of the Proposed Transaction and will not have any financial effect on the Group. As such, the Board considers the Novation reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions precedent to the Sale and Purchase Agreement**

Completion of the Sale and Purchase Agreement is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions:

- (a) the warranties, representations, undertakings and indemnities relating to Dongguan Midas given by Dah Hua in favour of CCRL under the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respect as if repeated at Completion and at all times between the date of the Sale and Purchase Agreement and Completion;
- (b) approval by the shareholders (other than those who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations, if required) of Midas of the Sale and Purchase Agreement including the disposal of the

## LETTER FROM THE BOARD

entire registered capital of Dongguan Midas by Dah Hua and all other transactions contemplated under the Sale and Purchase Agreement at a general meeting of Midas, in compliance with the requirements of the Listing Rules;

- (c) approval by the Shareholders (other than those who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations, if required) of the Sale and Purchase Agreement including the purchase of the entire registered capital of Dongguan Midas by CCRL and all other transactions contemplated under the Sale and Purchase Agreement at a general meeting of the Company, in compliance with the requirements of the Listing Rules;
- (d) the compliance by Dah Hua, CCRL, Midas and/or the Company of any other requirements under the Listing Rules or otherwise of the Stock Exchange (if any) which require compliance at any time prior to Completion in relation to the transactions contemplated under the Sale and Purchase Agreement;
- (e) the issue of a legal opinion by a PRC firm of lawyers addressed to CCRL and dated not more than 7 Business Days prior to the date of Completion (or any other date as the parties to the Sale and Purchase Agreement may otherwise agree) in respect of the title and rights of Dongguan Midas to the Property, in such form and substance to the reasonable satisfaction of CCRL; and
- (f) the transactions contemplated under the Sale and Purchase Agreement having been approved by the relevant competent authorities of the PRC.

CCRL may in its absolute discretion at any time waive the condition (a) above by notice in writing to Dah Hua. Neither Dah Hua nor CCRL may waive any of the conditions (b), (c), (d), (e) or (f) above. If any of the conditions above is not fulfilled (or waived as applicable) on or before 31 December 2015 (or such other date as the parties may agree) and/or the condition (a) does not remain fulfilled (and is not waived by CCRL) on the date of Completion, the rights and obligations of the parties to the Sale and Purchase Agreement shall lapse and be of no further effect except for antecedent breach.

As at the Latest Practicable Date, none of the conditions precedent above has been fulfilled (or waived as applicable).

### **Completion**

Completion will take place at or before 5:00 p.m. on the seventh Business Day after the last outstanding conditions precedent of the Sale and Purchase Agreement having been fulfilled (or waived, as the case may be), or such other date as the parties to the Sale and Purchase Agreement may agree in writing.

Upon Completion, Dongguan Midas will become an indirect wholly-owned subsidiary of the Company.

## **LETTER FROM THE BOARD**

### **INFORMATION ON THE COMPANY AND CCRL**

The Company is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 298). The Company is an indirect non-wholly-owned subsidiary of and owned as to approximately 56.47% by the CCIL Group as at the Latest Practicable Date.

The Group is principally engaged in property development and investment, hotel operation and management, manufacturing, sales and trading of goods and merchandises, including watch components and art pieces, and securities investment and trading.

CCRL is incorporated in Bermuda with limited liability and a direct wholly-owned subsidiary of the Company. CCRL is principally engaged in investment holding.

### **INFORMATION ON MIDAS AND DAH HUA**

Midas is incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 1172). Midas is an indirect non-wholly-owned subsidiary of and owned as to approximately 60.76% by the CCIL Group as at the Latest Practicable Date.

Midas Group is principally engaged in manufacturing and trading of printed products and development and operation of cemetery.

Dah Hua was incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Midas. Dah Hua is principally engaged in investment holding.

### **INFORMATION ON DONGGUAN MIDAS AND THE PROPERTY**

Dongguan Midas is an indirect wholly-owned subsidiary of Midas. Dongguan Midas was established in the PRC by Dah Hua on 22 December 1993 with a registered and paid up capital, being the historical investment costs of Dongguan Midas incurred by Dah Hua, of approximately HK\$160 million. Dongguan Midas is currently dormant and is the registered and beneficial owner of the Property. The business scope of Dongguan Midas includes printing business and property investment. Dongguan Midas' principal asset is the Property which is an industrial complex located in Changan, Dongguan, the PRC with a total gross floor area of about 39,000 sq. m. and has been vacant since the beginning of 2015. Based on the valuation report issued by Knight Frank Petty Limited, an independent property valuer, as set out in Appendix I to the Circular, the valuation of the Property was RMB101,600,000 (equivalent to approximately HK\$127,000,000) as at 31 March 2015.

## LETTER FROM THE BOARD

Set out below is the financial summary of Dongguan Midas based on its PRC accounts for the two financial years ended 31 December 2014:

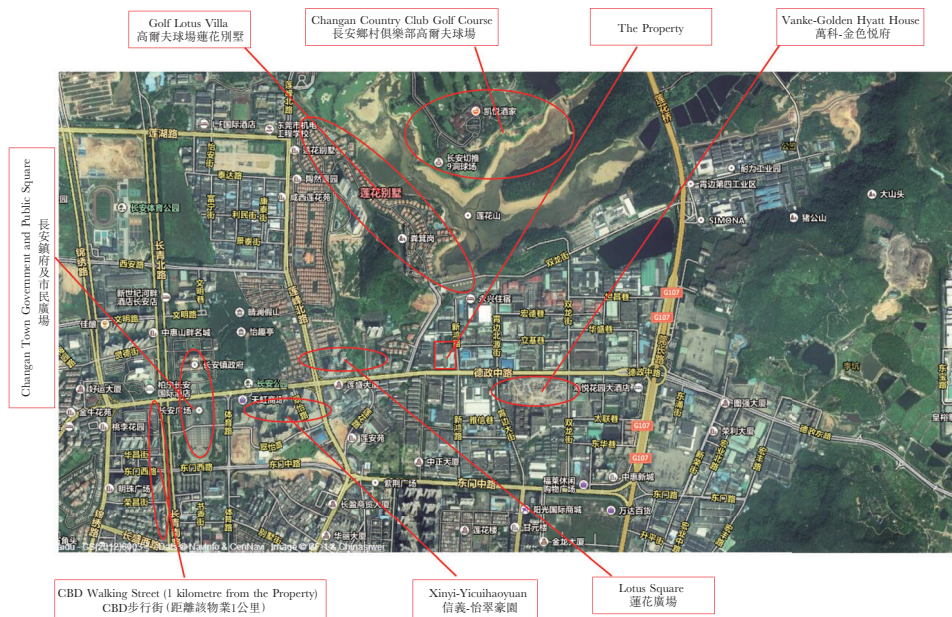
	<b>For the financial year ended</b>	
	<b>31 December</b>	
	<b>2014</b>	<b>2013</b>
	(unaudited)	(audited)
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Loss before taxation (Note)</b>	8,440	11,227
<b>Loss after taxation (Note)</b>	8,440	11,227

*Note: The loss of Dongguan Midas for each of the years ended 31 December 2013 and 2014 was mainly attributable to (i) depreciation expenses, (ii) wages and (iii) other administrative and general expenses in relation to the printing operation of the Midas Group.*

The unaudited total assets and net assets of Dongguan Midas (including the Inter-company Balance) based on its PRC accounts as at 31 December 2014 are approximately RMB69.4 million (equivalent to approximately HK\$86.8 million) and approximately RMB65.2 million (equivalent to approximately HK\$81.5 million) respectively.

### REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

As stated above, the principal business of the Group includes, among other things, property development and investment. The Proposed Transaction provides an opportunity for the Group to acquire a property project in Changan, Dongguan which is close to a well-developed residential and commercial area and is located about 10 kilometres to Shenzhen.



## **LETTER FROM THE BOARD**

It is the intention of the Group to lease out the Property for industrial use for rental income on an “as-is” basis. Accordingly, the Group does not expect any major modification work will need to be done on the Property before leasing out. The Group has commenced preliminary communications with potential tenants of the Property. The Group has received a written rental indication from one of the potential tenants and noted that the indicated rent is RMB12 per sq.m. which is comparable with the prevailing market rent according to the rental information in adjacent areas. Based on such written rental indication, the annual rental income is approximately RMB5.6 million (equivalent to approximately HK\$7.0 million). The Group has also received verbal rental indications with other potential tenants, and the Company expects that an annual rental of approximately RMB6.0 million (equivalent to approximately 7.5 million) would be generated from the Property. Accordingly, the Proposed Transaction is in line with the principal business activities and business strategy of the Group and will enhance the recurrent income of the Group. Furthermore, after Completion, the Group will monitor the market conditions to optimize the investment return of the Group, and will consider redevelopment potential of the Property, in view of the mature surrounding with residential and commercial developments. However, the Group currently has no concrete plan for the potential redevelopment.

Upon Completion, the Property will be recognized as an investment property in the amount of approximately HK\$127,000,000 in the Group’s statement of consolidated financial position. As the Consideration will be settled in full in cash upon Completion, the Group expects that there will be no significant change on the total assets or net assets of the Group.

Having considered the above, the Board considers that the Proposed Transaction (including the Novation) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the Latest Practicable Date, CCIL is interested in approximately 56.47% of the issued share capital of the Company (through Profit Stability Investments Limited, a direct wholly-owned subsidiary of CCIL) and approximately 60.76% of the issued share capital of Midas (through Gold Throne Finance Limited, a direct wholly-owned subsidiary of CCIL).

By virtue of CCIL’s aforesaid respective equity interests in the Company and Midas, Midas is a connected person (as defined in the Listing Rules) to the Company and accordingly, the Proposed Transaction constitutes a connected transaction for the Company under the Listing Rules. As one of the applicable percentage ratios (as defined in the Listing Rules) is more than 5% but less than 25%, the Proposed Transaction also constitutes a discloseable transaction for the Company under the Listing Rules. Accordingly, Completion is conditional on, amongst others, the approval by the Independent Shareholders of the Proposed Transaction at the SGM.

As Mr. Abraham Shek Lai Him is an independent non-executive director of each of CCIL, the Company and Midas and was interested in 30,000 shares of Midas as at the date of the Sale and Purchase Agreement, he has abstained from voting on the board resolution(s) in the board meeting of the Company in relation to the Proposed Transaction.

## **LETTER FROM THE BOARD**

As each of Mr. Albert Chuang Ka Pun and Mr. Chong Ka Fung is an executive director of CCIL, and Mr. David Chu Yu Lin is an independent non-executive director of CCIL, each of them has abstained from voting on the board resolution(s) in the board meeting of the Company in relation to the Proposed Transaction. Save as disclosed above, no Director had a material interest in the Proposed Transaction and thus was required to abstain from voting on the board resolution(s) in the board meeting of the Company for considering and approving the Proposed Transaction.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Mr. Andrew Fan Chun Wah, being an independent non-executive director of the Company, has been established to advise the Independent Shareholders in relation to the Proposed Transaction.

Mr. Abraham Shek Lai Him is an independent non-executive director of both the Company and Midas and was interested in 30,000 shares of Midas as at the Latest Practicable Date. In addition, Mr. David Chu Yu Lin is an independent non-executive director of both CCIL and the Company. Accordingly, Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin have been excluded from the Independent Board Committee.

BOSC International Company Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction.

### **THE SGM**

Set out on pages SGM-1 to SGM-2 of the Circular is a notice convening the SGM to be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Friday, 29 May 2015 at 10:00 a.m. at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

CCIL and its associates are required to abstain from voting in respect of the resolution approving the Proposed Transaction at the SGM. Accordingly, Profit Stability Investments Limited (a direct wholly-owned subsidiary of CCIL) which held 907,869,949 Shares as at the Latest Practicable Date (representing approximately 56.47% of the existing issued share capital of Company) and Miss Candy Chuang Ka Wai (an executive director of CCIL and Midas) who held 1,177,375 Shares as at the Latest Practicable Date (representing approximately 0.07% of the existing issued share capital of the Company) are required to abstain from voting in respect of the resolution approving the Proposed Transaction at the SGM.

A form of proxy for use at the SGM is enclosed with the Circular. Whether or not you are able to attend the SGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Progressive Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any

## LETTER FROM THE BOARD

adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. Voting on the proposed resolutions at the SGM will be taken by poll.

### RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 14 to 15 of the Circular and the letter from the Independent Financial Adviser on pages 16 to 25 of the Circular which contains their advice to the Independent Board Committee and the Independent Shareholders regarding the Proposed Transaction as well as the principal factors and reasons taken into consideration in arriving at their advice.

The Directors consider that the terms of the Proposed Transaction (including the Novation) are fair and reasonable and are in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. You are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser mentioned above before deciding how to vote on the resolutions to be proposed at the SGM.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
For and on behalf of the board of  
**Chuang's China Investments Limited**  
**Ann Li Mee Sum**  
*Managing Director*



Chuang's China Investments Limited

(莊士中國投資有限公司)

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 298)

13 May 2015

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO  
THE SALE AND PURCHASE OF ENTIRE REGISTERED CAPITAL OF  
DONGGUAN MIDAS PRINTING COMPANY LIMITED**

I refer to the circular of Chuang's China Investments Limited to its shareholders dated 13 May 2015 (the "Circular"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as defined in the Circular.

I have been appointed by the Board as the only member of the Independent Board Committee to consider the Proposed Transaction, being a connected transaction, pursuant to the terms and conditions of the Sale and Purchase Agreement, and to advise the Independent Shareholders as to whether, in my opinion, such terms are fair and reasonable so far as the Company and the Independent Shareholders are concerned and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

BOSC International Company Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Transaction.

I would like to draw your attention to the letter from the Board set out on pages 5 to 13 of the Circular which contains, among other things, information on the Proposed Transaction and the letter from the Independent Financial Adviser set out on pages 16 to 25 of the Circular which contains its advice in respect of the Proposed Transaction. Your attention is also drawn to the additional information set out in the Circular.

Having taken into account the principal factors and reasons underlying the Proposed Transaction as well as the advice of the Independent Financial Adviser as set out herein, I consider the terms and conditions of the Sale and Purchase Agreement to be fair and reasonable, on normal commercial terms, and the entering into of the Sale and Purchase Agreement is in the interests of the Company and its shareholders as a whole.



**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Accordingly, I recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Proposed Transaction, the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Novation) to be proposed at the SGM.

Yours faithfully,  
For and on behalf of  
the Independent Board Committee  
**Andrew Fan Chun Wah**  
*Independent Non-Executive Director*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of the letter of advice from BOSC International Company Limited to the Independent Board Committee and the Independent Shareholders which has been prepared for the purpose of the inclusion in the Circular.*



Suite 2608–2611 Citibank Tower  
Citibank Plaza, 3 Garden Road  
Hong Kong

13 May 2015

*To the Independent Board Committee and  
the Independent Shareholders*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE SALE AND PURCHASE OF ENTIRE REGISTERED CAPITAL OF DONGGUAN MIDAS PRINTING COMPANY LIMITED**

#### **INTRODUCTION**

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Transaction, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company (the “**Circular**”) to the Shareholders dated 13 May 2015, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 21 April 2015, the Board announced that CCRL, Dah Hua, the Company and Midas entered into the Sale and Purchase Agreement pursuant to which CCRL conditionally agreed to acquire and Dah Hua conditionally agreed to dispose of the entire registered capital of Dongguan Midas at the Consideration (subject to adjustment) of RMB101,600,000 (equivalent to approximately HK\$127,000,000). Dongguan Midas is the registered and beneficial owner of the Property.

Since one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Transaction exceed 5% but are less than 25%, the Proposed Transaction constitutes a discloseable transaction for the purpose of Chapter 14 of the Listing Rules. Further, as at the Latest Practicable Date, CCIL is interested in approximately 56.47% of the issued share capital of the Company and approximately 60.76% of the issued share capital of Midas, Midas is a connected person (as defined in the Listing Rules) to the Company and accordingly, the Proposed Transaction constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

CCIL and its associates are required to abstain from voting in respect of the resolution(s) that would be proposed to approve the Proposed Transaction at the SGM. Accordingly, Profit Stability Investments Limited (a direct wholly-owned subsidiary of CCIL) which held 907,869,949 Shares as at the Latest Practicable Date (representing approximately 56.47% of the existing issued share capital of Company) and Miss Candy Chuang Ka Wai (an executive director of CCIL and Midas) which held 1,177,375 Shares as at the Latest Practicable Date (representing approximately 0.07% of the existing issued share capital of the Company) are required to abstain from voting in respect of the resolution(s) approving the Proposed Transaction at the SGM.

The Independent Board Committee comprising Mr. Andrew Fan Chun Wah, being the independent non-executive director of the Company, has been established to advise the Independent Shareholders in relation to the Proposed Transaction. As at the Latest Practicable Date, Mr. Abraham Shek Lai Him is an independent non-executive director of both the Company and Midas and was interested in 30,000 shares of Midas and Mr. David Chu Yu Lin is an independent non-executive director of both CCIL and the Company. Accordingly, Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin have been excluded from the Independent Board Committee.

### **BASIS OF OUR OPINION**

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

In relying on the valuation report as set out in Appendix I to the Circular (the “**Valuation Report**”), we have reviewed the fairness, reasonableness and completeness of any assumptions or projections made by Knight Frank Petty Limited (the “**Valuer**”) in the Valuation Report. In relation to the Valuer providing an opinion or valuation relevant to the Property, we (i) have interviewed the Valuer as to its expertise and any current or prior relationships with the Company, Dongguan Midas or any of their respective subsidiaries or associates; (ii) have reviewed the terms of engagement (in particular whether the scope of work is appropriate to the opinion required to be given and any limitations on the scope of work which might adversely impact on the level of assurance given by the Valuation Report); and (iii) have discussed with the Valuer in respect of its work done (for details, please refer to the sub-section headed “B. Major terms of the Sale and Purchase Agreement — (i) Consideration” in our letter below).

The Directors have declared in a responsibility statement set out in Appendix II to the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained and representations made in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the SGM. We have no reason to doubt the truth, accuracy and

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, Dongguan Midas or any of their respective subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in relation to the Proposed Transaction, we have considered the following principal factors and reasons:

#### A. Background and reasons for entering into the Sale and Purchase Agreement

##### *(i) Information on the Group*

The Group is principally engaged in property development and investment, hotel operation and management, manufacturing, sales and trading of goods and merchandises, including watch components and art pieces, and securities investment and trading.

Reference is made to the Company's annual reports for the three years ended 31 March 2012, 2013 and 2014. For the three years ended 31 March 2012, 2013 and 2014, property investment and development in PRC has been the largest business segment of the Group. For the year ended 31 March 2014, the Group's revenue from property investment and development amounted to approximately HK\$793.89 million.

As disclosed in the interim report for the six months ended 30 September 2014, the Group remains cautiously optimistic with the long term prospect of the real estate industry and will actively look for opportunities in replenishing its land bank in the PRC as well as in Hong Kong in order to broaden the business coverage and to bring greater return to shareholders.

In light of the Group's principal business and the Group's strategies as set out above, we consider that the Proposed Transaction falls within the ordinary and usual course of business of the Group.

##### *(ii) Background and reasons of the Proposed Transaction*

On 21 April 2015, the Board announced that CCRL, Dah Hua, the Company and Midas entered into the Sale and Purchase Agreement pursuant to which CCRL conditionally agreed to acquire and Dah Hua conditionally agreed to dispose of the entire registered capital of Dongguan Midas at the Consideration (subject to

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

adjustment) of RMB101,600,000 (equivalent to approximately HK\$127,000,000). The Consideration was arrived at after arm's length negotiations among the parties to the Sale and Purchase Agreement with reference to the preliminary valuation of the Property as at 31 March 2015 by an independent property valuer. Details of our analysis on the Consideration are set out in the sub-section headed "B. Major terms of the Sale and Purchase Agreement — (i) Consideration" in our letter below.

As referred to in the Letter from the Board, the Proposed Transaction provides an opportunity for the Group to acquire a property project in Changan, Dongguan which is close to a well-developed residential and commercial area and is located about 10 kilometres to Shenzhen. It is the current intention of the Group to lease out the Property for rental income. The Proposed Transaction can enhance recurring income. As advised by the Company, the Group has commenced preliminary communications with potential tenants of the Property. We have reviewed a written rental indication from one of the potential tenants and note that the indicated rent is RMB12 per sq.m. which is comparable with the prevailing market rent according to the rental information in adjacent areas. Based on such written rental indication, the annual rental income is approximately RMB5.6 million. As advised by the Company, they have also received verbal rental indications with other potential tenants; and the Company expects that an annual rental of approximately RMB6 million would be generated from the Property.

On the other hand, we understand from the management of the Company that the Property can also enhance the Group's land bank in Dongguan and there is a redevelopment potential of the Property. Subject to the then market conditions and procurement of necessary regulatory approvals in PRC, it is possible for the Group to carry out redevelopment of the Property for sale when opportunities arise (the "**Potential Redevelopment of the Property**"). The Group currently has no concrete plan for the Potential Redevelopment of the Property and the feasibility of the Potential Redevelopment of the Property is uncertain at this stage. We understand from the management of the Company that, the Group will constantly monitor the market conditions to optimize the investment return of the Group.

### *(iii) Information on Dongguan Midas and the Property*

#### *Dongguan Midas*

Dongguan Midas is an indirect wholly-owned subsidiary of Midas and was established in the PRC by Dah Hua on 22 December 1993 with a registered and paid up capital, of approximately HK\$160 million. The business scope of Dongguan Midas includes printing business and property investment. As advised by the Company, the operation of Dongguan Midas is currently dormant. Dongguan Midas' principal asset is the Property which has been vacant since the beginning of 2015.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As extracted from the Letter from the Board, set out below is the selected financial information of the Dongguan Midas based on its PRC accounts for the financial years ended 31 December 2013 and 31 December 2014, respectively.

	<b>For the year ended 31 December 2014</b> (unaudited)	<b>For the year ended 31 December 2013</b> (audited)
Loss before taxation <i>(Note)</i>	Approximately RMB8,440,000 (equivalent to approximately HK\$10,550,000)	Approximately RMB11,227,000 (equivalent to approximately HK\$14,033,750)
Loss after taxation <i>(Note)</i>	Approximately RMB8,440,000 (equivalent to approximately HK\$10,550,000)	Approximately RMB11,227,000 (equivalent to approximately HK\$14,033,750)

*Note:*

*The loss of Dongguan Midas for each of the years ended 31 December 2013 and 2014 was mainly attributable to (i) depreciation expenses, (ii) wages and (iii) other administrative and general expenses in relation to the printing operation of the Midas Group.*

As stated in the Letter from the Board, the unaudited total assets and net assets of Dongguan Midas (including the Inter-company Balance) based on its PRC accounts are approximately RMB69.4 million (equivalent to approximately HK\$86.8 million) and approximately RMB65.2 million (equivalent to approximately HK\$81.5 million) respectively as at 31 December 2014.

### *The Property*

The Property is an industrial complex located in Changan, Dongguan, the PRC. It has a total gross floor area of about 39,000 sq.m. and is currently vacant.

According to the Valuation Report as set out in Appendix I of the Circular, the Property comprises two 5-storey workshops, two 6 to 7-storey staff dormitories. As stated in the Valuation Report, the market value of the Property as at 31 March 2015 is RMB101,600,000 (equivalent to approximately HK\$127,000,000).

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *(iv) Overview of the economic development and the property market in Dongguan*

We have reviewed the information sourced from the Dongguan Bureau of Statistics (“DBS”) in respect of the economic development and the property market in Dongguan, the PRC, where the Property is located. Dongguan is a district of Guangzhou, the capital of Guangdong province in Southern China.

According to the DBS, Dongguan recorded a nominal gross domestic product of approximately RMB588 billion in 2014, representing a compound annual growth rate (“CAGR”) of approximately 9.34% as compared to approximately RMB376 billion in 2009. The total investment in fixed assets in Dongguan in 2014 increased to approximately RMB142.7 billion, representing a growth rate of 10.0% as compared to the previous year. Total investment in fixed assets of Dongguan recorded a CAGR of approximately 5.46% between 2009 and 2014. Dongguan also recorded a real estate development investment of approximately RMB66.8 billion in 2014, representing a 16.5% increase as compared to the previous year and a CAGR of approximately 13.57% for the period from 2009 to 2014.

Taking into account the above, we concur with the view of the management of the Company that there would be growth potential in the property market of Dongguan in the future.

#### *Our view*

Having taken into consideration the above, in particular, (i) the Proposed Transaction is in line with the principal business and strategies of the Group; (ii) the Proposed Transaction would generate recurring income of the Group and enhance the Group’s land bank in Dongguan; and (iii) the Consideration (subject to adjustments) of RMB101,600,000 is equivalent to the market value of the Property as assessed by the Valuer, we consider that the Proposed Transaction is in the interests of the Company and the Shareholders as a whole.

### **B. Major terms of the Sale and Purchase Agreement**

The following is our analyses and views on the major terms of the Sale and Purchase Agreement:

#### *(i) Consideration*

The Sale and Purchase Agreement stipulates that the Consideration for the Proposed Transaction is RMB101,600,000 (equivalent to approximately HK\$127,000,000). The Consideration is subject to the Adjustment as set out below:

- (a) there shall be added to the Consideration the amount (if any) by which the NTAV as shown in the Completion Accounts is greater than zero; and
- (b) there shall be deducted from the Consideration the amount (if any) by which the NTAV as shown in the Completion Accounts is less than zero.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Consideration after the Adjustment shall not in any event exceed RMB103,000,000 (equivalent to approximately HK\$128,750,000). NTAV represents the aggregate of the tangible assets of Dongguan Midas which is readily convertible into cash or cash equivalent, including minor furnitures and fixtures, cash in bank, deposits, prepayments and third party receivables, but excluding the Property, the Inter-company Balance, the machineries, equipments and inventories currently installed or contained in the Property, less the aggregate of all liabilities and provisions of Dongguan Midas as at the date of Completion as shown in the Completion Accounts.

We note that the Consideration after adjustment is effectively the valuation of the Property as at 31 March 2015 as set out in the Valuation Report (the “**Appraised Value**”) plus any cash or cash equivalent balances or minus any net liabilities (as the case may be) left in the Completion Accounts.

The Consideration of RMB101,600,000 (equivalent to approximately HK\$127,000,000) is equivalent to the Appraised Value. In assessing the fairness and reasonableness of the Appraised Value, we have interviewed the Valuer and reviewed the Valuer’s engagement letter and other information provided by the Valuer. In particular, we note that in performing the valuation of the Property, the Valuer has adopted the direct comparison approach by making reference to the comparable properties in the relevant locality. Comparable properties of similar size, character and location were analysed and carefully selected of each property in order to arrive at a fair comparison of capital values. We have also been advised by the Valuer that in light of the particulars of the Property, the above valuation methodology is commonly used in arriving at the Property Valuation. Furthermore, we have discussed with the Valuer to understand the assumptions which they have taken into consideration when performing the valuation of the Property (details of the assumptions are set out in the Valuation Report). The Valuer also advised that the valuation of the Property was carried out in accordance with the HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors. Based on the above, we believe that the market approach adopted by the Valuer in performing the valuation of the Property and the assumptions taken into consideration by the Valuer are appropriate.

In accessing the fair and reasonableness of the Consideration, we have not made adjustment on the Consideration in relation to the land appreciation tax in the PRC (the “**LAT**”), due to the fact that as advised by the PRC legal adviser to Dongguan Midas, under the current laws and regulations of the PRC, no LAT liabilities will be arisen from the acquisition or disposal of the shareholding of Dongguan Midas as the change in shareholding of Dongguan Midas will not affect the ownership of the Property. Despite the change in shareholding, Dongguan Midas remains as the owner of the rights of the Property and thus it is unnecessary to register for any transfer of ownership of rights of the Property and no LAT will be imposed.

Having considered the above, we are of the view that the Consideration is fair and reasonable.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### *(ii) Terms of payment*

As stated in the Letter from the Board, the Consideration will be financed by the Group's internal resources and will be settled in full in cash at Completion.

### *(iii) Novation*

Pursuant to the terms of the Sale and Purchase Agreement, CCRL (or its wholly-owned subsidiary) will, upon Completion, execute an agreement with Dongguan Midas and Dah Hua such that CCRL (or its wholly-owned subsidiary) shall assume and perform the obligations of Dah Hua in relation to the Inter-company Balance at a consideration of RMB1, which is payable by Dah Wah to CCRL (or its wholly-owned subsidiary).

Although CCRL (or its wholly-owned subsidiary) will assume the obligation of the Inter-company Balance, such Inter-company Balance has no fixed terms of repayment and will be eliminated in the Group's consolidated financial statements as Dongguan Midas will become a wholly-owned subsidiary of the Company upon Completion. There will be no impact on the Group's consolidated financial statements, especially on the consolidated net asset value, cash balances or cash flow, regardless of whether CCRL will repay the Inter-company Balance to Dongguan Midas in the future.

As disclosed in the Letter from the Board, the major assets of Dongguan Midas comprised, among other things, mainly the Property of market value of RMB101.6 million and the Inter-Company Balance of approximately RMB47.0 million (being a receivable from Dah Hua). As such, the underlying value of Dongguan Midas is approximately RMB148.6 million (before Adjustment). While the Consideration for the Proposed Transaction is RMB101.6 million, we concur with Directors' view that the Consideration of RMB101.6 million is fair and reasonable on the basis that the Inter-company Balance of approximately RMB47.0 million (being a liability owed by Dah Hua) is also being assumed by the Company as part of the Proposed Transaction. The assumption of the Intercompany Balance by way of novation reduces cash outflow of CCRL upon Completion.

Given the above, we consider that the novation is a reasonable commercial term in this circumstances and in the interest of the Company and Shareholders as a whole.

### *(iv) Conditions precedent*

Please refer to the sub-section headed "Conditions precedent to the Sale and Purchase Agreement" in the Letter from the Board for details of the conditions of the Proposed Transaction.

If any of the conditions is not fulfilled (or waived as applicable) on or before 31 December 2015 (or such other date as the parties may agree) and/or the condition (a) as set out in the sub-section headed "Conditions precedent to the Sale and Purchase

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Agreement” in the Letter from the Board does not remain fulfilled (and is not waived by CCRL) on the date of Completion, the rights and obligations of the parties to the Sale and Purchase Agreement shall lapse and be of no further effect except for antecedent breach.

### *(v) Completion*

Completion will take place at or before 5:00 p.m. on the seventh Business Day after the last outstanding conditions precedent of the Sale and Purchase Agreement having been fulfilled (or waived, as the case may be), or such other date as the parties to the Sale and Purchase Agreement may agree in writing.

### *Our view*

Having considered the above, we are of the view that the terms of the Sale and Purchase Agreement are normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Group and the Shareholders as a whole.

### **C. Possible financial effects of the Proposed Transaction**

Upon Completion, Dongguan Midas will become an indirect wholly-owned subsidiary of the Company. As such, the financial results of Dongguan Midas will be consolidated into the financial results of the Group. As Dongguan Midas has ceased its business operation and the Group intends to lease out the Property, it is expected that Dongguan Midas will generate recurring rental income and cash flow to the Group.

As disclosed in the Letter from the Board, upon Completion, the Property will be recognized as an investment property in the amount of approximately HK\$127,000,000 in the Group’s statement of consolidated financial position. As the Consideration will be settled in full in cash upon Completion, the Group expects that there will be no significant change on the total assets or net assets of the Group.

As stated in the Letter from the Board, the Consideration (subject to adjustment) of RMB101,600,000 (equivalent to approximately HK\$127,000,000) will be funded by the internal resources of the Group. As noted in the Company’s interim report for the six months ended 30 September 2014, given the Group’s cash and bank balances of approximately HK\$1,257.8 million, we are of the view that the Proposed Transaction will not have an immediate adverse impact on the Group’s liquidity and working capital position.

**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

**RECOMMENDATION**

Having considered the principal factors and reasons referred to above, we are of the opinion that the Proposed Transaction is on normal commercial terms, in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole, and the terms thereof are fair and reasonable so far as the Group and the Independent Shareholders are concerned.

Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

**BOSC International Company Limited**

**Alex Lau**

**Cathy Leung**

*Managing Director*

*Vice President*

*Investment Banking*    *Investment Banking*

*Note:* Mr. Alex Lau of BOSC International Company Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003, and Ms. Cathy Leung of BOSC International Company Limited has been a licensed representative of Type 6 (advising on corporate finance) regulated activities since 2008.

*The following is the text of the letter and the valuation report received from Knight Frank Petty Limited, an independent property valuer, prepared for the purpose of incorporation in the Circular, in connection with its valuation of the Property as at 31 March 2015.*



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[www.knightfrank.com](http://www.knightfrank.com)

Chuang's China Investments Limited  
25/F Alexandra House  
18 Chater Road  
Hong Kong

13 May 2015

Dear Sir

**Valuation of an Industrial Complex located at Xiaobian Village, No. 64 Dezheng Middle Road, Changan, Dongguan, Guangdong Province, The People's Republic of China**

In accordance with the instructions of Chuang's China Investments Limited (the "**Company**"), and together with its subsidiaries, the "**Group**") to value the property interest in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 March 2015 for the purpose of incorporation into the circular issued by the Group.

**Basis of Valuation**

Our valuation is our opinion of the market value of the property which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances

such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

### **Valuation Methodology**

We have valued the property by Direct Comparison Approach whenever market comparable information are available and assumed sale of the property with the benefit of vacant possession. Direct Comparison Approach is considered as the most appropriate method of valuation when comparable information is adequate. The rationale of this method is to directly compare the market comparable properties with the subject property to determine the market value. Adjustments will be applied to the said comparable properties to reflect items such as location, size, accessibility and a whole list of other considerations, where necessary.

### **Title Documents and Encumbrances**

We have been provided with copies of extracts of title documents relating to the property. However, we have not inspected the original documents to verify the ownership or to verify any amendments which may not appear on the copies handed to us. We have relied on the information given by the Group and its legal adviser, GFE Law Office, regarding the title and other legal matters relating to the property.

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

### **Source of Information**

We have relied to a very considerable extent on the information given by the Group and the legal opinion regarding the title to the property from the PRC legal adviser of the Group. We have no reason to doubt the truth and the accuracy of the information provided by the Group and/or the PRC legal adviser of the Group which is material to the valuation. We have accepted advice given by the Group on such matters as identification of the property, planning approvals or statutory notices, easements, tenure, site and floor areas. Dimension, measurements and areas included in the valuation report attached are based on information provided to us and are therefore only approximations. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the documents handed to us are correct. We were also advised by the Group that no material facts have been omitted from the information provided.

### **Inspection and Measurement**

We have inspected the exterior and, where possible, the interior of the property valued and the inspection was carried out by our manager, Ocean Ruan, Real Estate Appraiser of China, in April 2015. He has over 12 years' property market valuation experience in China. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

**Environmental Issues**

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

**Contamination**

We are not instructed to arrange for any investigation to be carried out to determine whether any deleterious or hazardous material have been used in the construction of the property and therefore assumed in our valuation that none of the said material is contained in the property. However, should it be established subsequently that contamination exists at the property or any neighboring land, or that the property has been or are being put to any contaminative use, we reserve the right to adjust the value reported herein.

**Remarks**

In preparing our valuation report, we have complied with “The HKIS Valuation Standards (2012 Edition)” published by the Hong Kong Institute of Surveyors and the requirements contained in the relevant provisions of Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

**Currency**

Unless otherwise stated, all money amounts stated are in Renminbi.

We enclose herewith our valuation certificate.

Yours faithfully  
For and on behalf of  
**Knight Frank Petty Limited**  
**Clement W M Leung**  
*MCIREA MHKIS MRICS RPS (GP)*  
*Executive Director*  
Head of China Valuation

*Note:* Clement W M Leung, MCIREA, MHKIS, MRICS, RPS (GP), has been a qualified valuer and has about 21 years’ experience in the valuation of properties in Hong Kong, Macau and Asia Pacific Region and has 19 years’ experience in the valuation of properties in the People’s Republic of China.

## VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2015
An Industrial Complex at Xiaobian Village, No. 64 Dezheng Middle Road, Changan, Dongguan, Guangdong Province, the PRC	<p>The property comprises an industrial complex erected upon a parcel of land with a site area of approximate 18,990.15 sq m.</p> <p>The property comprises a single-storey industrial building, two 5-storey industrial buildings and two 6 to 7-storey staff dormitories with a total gross floor area of approximate 39,080.99 sq m completed in 1992 to 2000. The property also comprises various temporary structures for storage purpose.</p>	The property was vacant.	RMB101,600,000

Details of the approximate gross floor area of the property are listed as follows:

Building	No. of Storey	Approximate Gross Floor Area (sq. m.)
Industrial Building	5	12,065.10
Industrial Building	5	21,379.00
Industrial Building	1	367.50
Staff Dormitory	7	3,480.99
Staff Dormitory	6	1,788.40
<b>Total:</b>		<b><u>39,080.99</u></b>

The land use rights of the property have been granted for a term expiring on 20 December 2043 for industrial use.

## Notes:

- Pursuant to State-owned Land Use Rights Certificate No. Dong Fu Guo Yong (1994) Zi Di Te 90 Hao issued by Dongguan State-owned Land Resources Bureau dated 28 March 2002, the land use rights of the property with a site area of 18,990.15 sq m were granted to Dongguan Midas Printing Company Limited (東莞勤達印刷有限公司) for a term expiring on 20 December 2043 for industrial use.

2. Pursuant to 5 Real Estate Title Certificates all issued by The People's Government of Dongguan, the title to the property with a total gross floor area of 39,080.99 sq m was vested in Dongguan Midas Printing Company Limited (東莞勤達印刷有限公司) for industrial and dormitory uses for a land use term expiring in December 2043. Details of the real estate title certificates are as follows:

<b>Certificate No.</b>	<b>Gross Floor Area (sq m)</b>	<b>Use of Building</b>	<b>Land Use Expiry Date</b>	<b>Date of Issue</b>
Yue Fang Di Zheng Zi Di C0975711 Hao	12,065.10	Industrial	December 2043	22 May 2002
Yue Fang Di Zheng Zi Di C0975712 Hao	1,788.40	Dormitory	December 2043	22 May 2002
Yue Fang Di Zheng Zi Di C0975713 Hao	3,480.99	Dormitory	December 2043	22 May 2002
Yue Fang Di Zheng Zi Di C0975714 Hao	367.50	Industrial	December 2043	22 May 2002
Yue Fang Di Zheng Zi Di C0975715 Hao	21,379.00	Industrial	December 2043	22 May 2002

3. We have been provided with a legal opinion on the property issued by the Group's PRC legal adviser, which contains, inter alia, the following:
- (i) Dongguan Midas Printing Company Limited (東莞勤達印刷有限公司) has legally obtained the land use rights and building ownership of the property. Dongguan Midas Printing Company Limited (東莞勤達印刷有限公司) is the sole owner of the property; and
  - (ii) the property is subject to a mortgage. The property can be transferred by Dongguan Midas Printing Company Limited (東莞勤達印刷有限公司) subject to prior approval from the mortgagee (unless the mortgage has been released prior to such transfer).



## 1. RESPONSIBILITY STATEMENT

The 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 the 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 the Circular misleading.

## 2. INTERESTS AND SHORT POSITIONS OF DIRECTORS OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executive of the Company were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### (a) Interests in the Company

Name of Director	Capacity/ nature of interest	Number of Shares held	Long/Short position	Approximate percentage of interests in the issued share capital of the Company
Mr. Sunny Pang Chun Kit	Beneficial owner	620,000	Long position	0.0386%

### (b) Interests in CCIL

Name of Director	Capacity/ nature of interest	Number of shares of CCIL held	Long/Short position	Approximate percentage of interests in the issued share capital of CCIL
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	Beneficial owner	1,299,676	Long position	0.0749%

**(c) Interests in Midas**

Name of Director	Capacity/ nature of interest	Number of shares of Midas held	Long/Short position	Approximate percentage of interests in the issued share capital of Midas
Mr. Abraham Shek Lai Him	Beneficial owner	30,000	Long position	0.0009%

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, none of the Directors or chief executive of the Company had any interests or short positions 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 (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

**3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

**4. EXPERTS AND CONSENTS**

The followings are the names and qualifications of the experts who have given letters, opinion or advice which are contained in the Circular:

Name	Qualification
BOSC International Company Limited	A corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Knight Frank Petty Limited	Professional surveyor and valuer

As at the Latest Practicable Date, each of the above experts had given and had not withdrawn its written consent to the issue of the Circular with the inclusion herein of its letter dated the date of the Circular and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of the above experts did not have 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.

As at the Latest Practicable Date, each of the above experts did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by, or leased to any member of the Group since 31 March 2014, the date to which the latest published audited consolidated financial statements of the Group were made up.

#### **5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENT**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been or are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 March 2014, the date to which the latest published audited consolidated financial statements of the Group were made up. None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

#### **6. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES**

As at Latest Practicable Date, Mr. Albert Chuang, Mr. Chong Ka Fung, Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin are directors of CCIL, whose principal activities also include property development and investment in Hong Kong.

As at the Latest Practicable Date, save as disclosed herein, none of the Directors or their respective close associates had an interest in any business that competes with or is likely to compete with the business of the Group.

#### **7. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2014, the date to which the latest published audited consolidated financial statements of the Group were made up.

#### **8. GENERAL**

In the event of any inconsistency, the English texts of the Circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

#### **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection at the office of the Company at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, during normal business hours on any Business Day from the date of the Circular up to 27 May 2015:

- (i) the Sale and Purchase Agreement;
- (ii) the letter from the Independent Board Committee, the text of which is set out on pages 14 to 15 of the Circular;
- (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 16 to 25 of the Circular;

- (iv) the written consents as referred to in the paragraph headed “4. Experts and consents” in this appendix;
- (v) the valuation report issued by Knight Frank Petty Limited, the text of which is set out in Appendix I to the Circular; and
- (vi) the Circular.

**NOTICE OF THE SGM**



**Chuang's China Investments Limited**

**(莊士中國投資有限公司)**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 298)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of Chuang's China Investments Limited (the "**Company**") will be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Friday, 29 May 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions of the Company which will be proposed as ordinary resolution:

**ORDINARY RESOLUTION**

**“THAT:**

- (a) the entering into, and the performance by the Company of the sale and purchase agreement dated 21 April 2015 (the "**Sale and Purchase Agreement**", a copy of the Sale and Purchase Agreement marked "Sale and Purchase Agreement" has been produced to this meeting and signed by the Chairman of this meeting for identification purpose) signed by Chuang's China Realty Limited (a company incorporated in Bermuda with limited liability and a direct wholly-owned subsidiary of the Company), Dah Hua Printing Press Company Limited ("**Dah Hua**"), an indirect wholly-owned subsidiary of Midas International Holdings Limited ("**Midas**"), the Company and Midas in relation to the sale and purchase of the entire registered capital of Dongguan Midas Printing Company Limited ("**Dongguan Midas**"), a company established in the People's Republic of China and a direct wholly-owned subsidiary of Dah Hua, be and are hereby approved, ratified and confirmed and the performance by the Company of all the transactions contemplated under the Sale and Purchase Agreement (including the novation of certain amount of indebtedness owing by Dah Hua to Dongguan Midas) be and are hereby approved; and

## NOTICE OF THE SGM

- (b) the board of directors of the Company (the “**Board**”) be and is hereby authorised to do all such acts and things, and to sign and execute all such further agreements and documents with or without amendments and to take all such steps as the Board may in its absolute discretion consider necessary, appropriate, desirable or expedient to implement and/or give full effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder.”

By order of the board of directors of  
**Chuang’s China Investments Limited**  
**Lee Wai Ching**  
*Company Secretary*

Hong Kong, 13 May 2015

*Principal place of business in Hong Kong:*  
25th Floor  
Alexandra House  
18 Chater Road  
Central, Hong Kong

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

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. In the case of a recognised clearing house, it may authorise such other person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead. A proxy need not be a shareholder of the Company.
2. A form of proxy for use at the meeting is enclosed with the circular of the Company dated the same date as this notice. Whether or not you intend to attend the meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon.
3. In order to be valid, the form of proxy must be deposited at the Company’s branch share registrar in Hong Kong, Tricor Progressive Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof or on the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
5. Where there are joint registered holders of any share of the Company, any one of such holders may vote at the meeting either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, then the holder whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder of the Company in whose name any share stands shall for this purpose be deemed joint holders thereof.

*As at the date of this notice, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Chong Ka Fung and Mr. Sunny Pang Chun Kit are executive directors of the Company, and Mr. Abraham Shek Lai Him, Mr. David Chu Yu Lin and Mr. Andrew Fan Chun Wah are independent non-executive directors of the Company.*