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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 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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Chuang's China Investments Limited

(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

**MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF
PROPERTY IN LONDON, UNITED KINGDOM**

Financial adviser to the Company

 **金融有限公司**
OCTAL Capital Limited

A letter from the board of directors of Chuang's China Investments Limited is set out on pages 4 to 9 of this circular.

9 December 2016

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DEFINITIONS

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

“Acquisition”	the acquisition of the Property pursuant to the SP Agreement
“Adjustment”	the amount of GBP1,027,593 (equivalent to approximately HK\$9.9 million) which the Vendor has agreed to top-up and reimburse to the Purchaser and has been deducted from the Consideration on the Completion Date. It represents the aggregate rent free period rental amounts of the existing leases of the Property during the period commencing from Completion until the expiry of the respective leases
“Board”	the board of Directors
“Chuang’s Consortium”	Chuang’s Consortium International Limited (stock code: 367), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Chuang’s Consortium Group”	Chuang’s Consortium and its subsidiaries
“Company”	Chuang’s China Investments Limited (stock code: 298), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The Company is a non-wholly-owned subsidiary of, and owned as to approximately 57.4% by, the Chuang’s Consortium Group
“Completion”	Completion of the Acquisition in accordance with the terms of the SP Agreement
“Completion Date”	24 November 2016, United Kingdom time
“Consideration”	the amount of GBP80,000,000 (equivalent to approximately HK\$774.4 million)
“Directors”	the directors of the Company
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	7 December 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Property”	the property at 6–12 Fenchurch Street and 1 Philpot Lane, London, United Kingdom
“Purchaser”	Noble Title Limited, the Purchaser under the Acquisition, is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“SP Agreement”	the sale and purchase agreement dated 4 November 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition
“sq. ft.”	square feet
“sq. m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

DEFINITIONS

“Vendor” Standard Life Assurance Limited, the Vendor under the Acquisition, is a company incorporated in Scotland with limited liability

“%” per cent.

For the purpose of this circular, the translation of GBP into HK\$ is based on the approximate exchange rate of GBP1.00 = HK\$9.68. Such translation should not be construed as a representation that the amount in question has been, could have been or could be converted at any particular rate or at all.



Chuang's China Investments Limited

(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

Executive Directors:

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

Independent Non-Executive Directors:

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

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18 Chater Road
Central
Hong Kong

9 December 2016

To the Shareholders,

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE ACQUISITION OF
PROPERTY IN LONDON, UNITED KINGDOM**

INTRODUCTION

On 6 November 2016, the Board announced that on 4 November 2016 (United Kingdom time), the Purchaser, being an indirect wholly-owned subsidiary of the Group, entered into the SP Agreement with the Vendor, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Property at the Consideration of GBP80,000,000 (equivalent to approximately HK\$774.4 million), subject to the Adjustment.

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 25% but less than 100% for the Company, the Acquisition constitutes a major transaction for the Company and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to give you further information on the Acquisition, a valuation report on the Property and other information as required under the Listing Rules.

THE SP AGREEMENT

1. Date

4 November 2016 (United Kingdom time)

2. Parties

The Purchaser: Noble Title Limited; and

The Vendor: Standard Life Assurance Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules); (ii) the Vendor is a company incorporated in Scotland with limited liability; and (iii) the Vendor is principally engaged in the provision of life assurance and pension products in certain countries in Europe.

3. Asset acquired

The freehold interest in the Property.

4. Consideration

The Consideration for the Acquisition, after taking into account the Adjustment, is GBP78,972,407 (equivalent to approximately HK\$764.5 million) (the "**Net Consideration**"). The Net Consideration for the Property represents an average price of GBP1,017 (equivalent to approximately HK\$9,845) per sq. ft..

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor by reference to, among others, location of the Property, market values of comparable properties and a preliminary market valuation of the Property as appraised by an independent valuer of GBP83,000,000 (equivalent to approximately HK\$803.4 million) as at 31 October 2016.

5. Completion

Completion took place on 24 November 2016, United Kingdom time. The Net Consideration was paid in full by the Purchaser to the Vendor in cash on the Completion Date and was financed by the internal resources of the Group.

LETTER FROM THE BOARD

INFORMATION ON THE PROPERTY

The Property is located at 6–12 Fenchurch Street and 1 Philpot Lane, City of London and is close to the Monument station of the Tube, London’s underground railway system.



LETTER FROM THE BOARD

The Property is an 11-storey commercial building providing approximately 77,652 sq. ft. of office and retailing spaces. It is virtually fully leased to 6 tenants for office and 2 tenants for



The Property

retail generating total annual rental income in 2016 (after taking into account rent free periods as stipulated in the tenancy agreements) of approximately GBP3.4 million (equivalent to approximately HK\$32.9 million). All the tenancies were for 10 years, with the exception of 2 tenancies which were for about 9 years and 15 years respectively. The earliest tenancy expires in October 2019 and the latest tenancy expires in July 2025. Details of the tenancies are included in “Property Valuation” as set out in Appendix IV of this circular. On the basis of the Net Consideration and the aforesaid rental income in 2016, the historic rental yield was about 4.3%.

The Group intends to hold the Property for investment purposes and continues to lease the Property for rental income after Completion. The Group will carry out rent review and expects that after the rent review for the existing leases in the next 6 months following the Completion Date, rental income from the Property will be further enhanced. For more details of

the financial information of the Property, please refer to the “Unaudited Financial Information of the Property” set out in Appendix II of this circular.

The Property was valued by Colliers International (Hong Kong) Limited, an independent valuer, as at 31 October 2016 at GBP83,000,000 (equivalent to approximately HK\$803.4 million). The valuation report of the Property is shown in Appendix IV of this circular.

INFORMATION ON THE PURCHASER AND THE GROUP

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Group. The Purchaser is principally engaged in investment holding and property investment.

LETTER FROM THE BOARD

The Group is principally engaged in property development, investment and trading, hotel operation and management, manufacturing, sales and trading of goods and merchandises, including watch components and art pieces, and securities investment and trading. As at the Latest Practicable Date, the Company is a non-wholly-owned subsidiary of, and owned as to approximately 57.4% by, the Chuang's Consortium Group.

FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

Based on the "Unaudited Pro Forma Financial Information of the Group" as set out in Appendix III to this circular which did not include the effect of the disposal of the subsidiaries that held a property development project at Dongguan, the PRC and was completed on 27 October 2016, the unaudited pro forma consolidated total assets of the Group as at 30 September 2016 would be decreased by approximately HK\$1.2 million to approximately HK\$4,809.1 million and the unaudited pro forma consolidated total liabilities of the Group as at 30 September 2016 would be increased by approximately HK\$6.4 million to approximately HK\$1,963.3 million upon completion of the Acquisition, assuming that the Acquisition had taken place on 30 September 2016. Accordingly, the unaudited pro forma consolidated net assets of the Group as at 30 September 2016 would be decreased by approximately HK\$7.6 million to approximately HK\$2,845.8 million, which was mainly resulted from the net effect of the expenses and stamp duty incurred and the negative goodwill recognized in relation to the Acquisition.

The Group's earnings are expected to increase as a result of the Acquisition, after taking into account the rental income to be derived from the Property.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the annual report of the Company for the year ended 31 March 2016 and the very substantial disposal circular dated 26 September 2016, the Group will identify opportunities for acquisition of investment properties at prime location in Hong Kong, the PRC or other developed countries, which will provide sustainable and stable income. In this connection, the Group has actively identified quality properties for acquisition to increase its property investment portfolio and to enhance the Group's capacity in generating rental income which the Directors believe to be a stable and reasonable return in the current market situation. Taking into account the location, quality and occupancy rate of the Property, the Directors consider that the Acquisition is in line with the business strategies of the Group. The Group intends to hold the Property for investment purposes and continues to lease the Property for rental income after Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor by reference to, among others, location of the Property, market values of comparable properties and a preliminary market valuation of the Property as appraised by an independent valuer of GBP83,000,000 (equivalent to approximately HK\$803.4 million) as at 31 October 2016.

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

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 25% but less than 100% for the Company, the Acquisition constitutes a major transaction for the Company and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the Acquisition. Accordingly, no Shareholders will be required to abstain from voting if the Company were to convene a general meeting for approving the Acquisition. Pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, shareholders' written approval has been obtained on 4 November 2016 from Profit Stability Investments Limited (“PSL”), being a direct wholly-owned subsidiary of Chuang's Consortium which, as at the date of the SP Agreement, held 1,361,804,923 Shares, representing approximately 57.4% of the entire issued share capital of the Company, approving the Acquisition. As such, the Company is not required to convene a special general meeting for this purpose.

ADDITIONAL INFORMATION

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

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

1. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 March 2014, 2015 and 2016 are disclosed in the annual reports of the Company for the financial years ended 31 March 2014 (pages 67 to 129), 31 March 2015 (pages 71 to 144), and 31 March 2016 (pages 68 to 144) and the published interim results announcement of the Company for the period ended 30 September 2016 (pages 1 to 17), respectively, and are incorporated by reference into this circular.

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

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

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

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

<http://www.hkexnews.hk/listedco/listconews/sehk/2016/1123/LTN20161123659.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately HK\$884.0 million, comprising bank borrowings of approximately HK\$871.4 million of which approximately HK\$671.4 million was secured by fixed charges on certain assets of the Group, and unsecured borrowings from non-controlling shareholders of approximately HK\$12.6 million.

As at 31 October 2016, the Group provided guarantees of approximately HK\$924.4 million to banks for mortgage loans made by the banks to the purchasers of properties sold by the Group in the PRC.

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

3. MATERIAL ADVERSE CHANGE

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

4. WORKING CAPITAL STATEMENT

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

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As for the property investment business, the Group will continue to increase its investment property portfolio for rental purpose, which will bring recurrent and steady income, in order to weather the slowdown of property sales as a result of reducing gross floor area (the “GFA”) under development in the PRC. Furthermore, the Xiamen Mingjia Hotel (廈門銘家酒店), a 59.5% joint venture company of the Group, has currently entered into the operation stage. Negotiations with prospective tenant on leasing of the hotel building are in advanced stage, whereas marketing for the leasing of the 30 villas is in progress.

In Guangzhou, Chuang’s Le Papillon has residential properties available for sale of about RMB41 million (equivalent to approximately HK\$46 million) and carparks of about RMB136 million (equivalent to approximately HK\$153 million). As for the 22 villas (Block P), the Group intends to lease them out in order to benefit from the long-term asset appreciation. For the remaining development, the Group owns a land of over 92,000 sq. m.. The Group is currently reviewing the feasibility to increase the development plot ratio of the site with a view to enhance the value of this project. The Group will also explore other option which may be available to speed up realizing the stored value in this project.

In Anshan, Chuang’s Mid-town consists of a 6-level commercial podium providing an aggregate GFA of about 29,616 sq. m.. Above the podium will be a twin tower (Block AB and C) with 27 and 33-storey respectively, offering total GFA of about 63,000 sq. m. as office, residential and service apartments. Superstructure works of the commercial podium and the twin tower have topped off. Internal and external finishing works are in satisfactory progress. The Group has appointed an international real estate agency as leasing agent to carry out marketing campaign on this project.

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

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

The Group will continue with its strategy to focus on property development in first tier cities as well as to further diversify to other businesses with steady income. The Group will continue to seek investment opportunities, further expand the Group's sources of revenue, enhance the Group's profitability, and maximize return for its shareholders. Geographically, the Group will seek for opportunities not only in Hong Kong and the PRC but also to expand to other matured countries. Furthermore, the Group will proactively explore business innovations to achieve long-term sustainable development, and will focus on those ventures that require similar skill-sets of land acquisition, land planning and utilization.

PROFIT AND LOSS STATEMENT OF THE PROPERTY

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets with identifiable income stream or assets valuation, the Company is required to include in this circular a profit and loss statement and valuation (where available) for the 3 preceding financial years ended 31 December 2013, 2014 and 2015 and the period from 1 January 2016 to 30 June 2016 (the “**Relevant Period**”) on the identifiable income stream in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

For the preparation of the profit and loss statement on the identifiable income stream in relation to the Property in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the Vendor covering the Relevant Period is required. However, despite requests made by the Company with the Vendor, the Vendor has not agreed to grant permission for the Group and/or the Company’s auditor to gain full access to the abovementioned underlying books and records of the Vendor nor have they agreed to provide to the Group the above information in relation to the Property, except for copies of the subsisting tenancy agreements of the Property (the “**Subsisting Tenancies**”). The Vendor is an insurance group and its financial information regarding the Property is not in the public domain. Without the aforesaid full access to the underlying books and records of the Property granted by the Vendor, it would not be possible for the Company to properly compile a profit and loss statement on the identifiable income stream in relation to the Property for inclusion in the circular as required under Rule 14.67(6)(b)(i) of the Listing Rules.

The Company has therefore applied to the Stock Exchange for a waiver and was granted by the Stock Exchange, from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules. The unaudited financial information of the Property for the Relevant Period as set out in this appendix has been prepared by the Directors based on the review of the Subsisting Tenancies provided to the Company by the Vendor and may not give a true and complete picture of the performance of the Property during the Relevant Period.

According to the Subsisting Tenancies, the Property is subject to multi-lease to 6 tenants for office and 2 tenants for retail. All the tenancies were for 10 years, with the exception of 2 tenancies which were for about 9 years and 15 years respectively. The earliest tenancy expires in October 2019 and the latest tenancy expires in July 2025. Details of the Subsisting Tenancies are included in “Property Valuation” as set out in Appendix IV to this circular.

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

Pursuant to the Subsisting Tenancies, the tenants are responsible for insurance, maintenance and repair charges, statutory rent and rate, all utilities expenses (drainage, electricity, gas, telephone and water) and other outgoings in respect of the Property. Due to the limited information available, the Directors are unable to ascertain whether there were any other expenses such as depreciation, finance costs and tax incurred for the Relevant Period. As such, all the above expenses are not included in the unaudited financial information of the Property set out in this appendix.

As the Group intends to hold the Property for investment purposes, the Property will be classified as investment property in its financial statements after Acquisition and stated at fair value. Accordingly there would be no depreciation for the Property. The Purchaser is subject to the United Kingdom corporation tax in relation to the net profit arising from the leasing of the Property at the prevailing tax rate of 20%.

Based on the Subsisting Tenancies, the rental income of the Property for the Relevant Period is as follows:

	For the years ended 31 December			For the period from 1 January 2016 up to 30 June 2016
	2013	2014	2015	2016
Rental income				
GBP'million	2.4	2.4	2.9	1.6
Equivalent to				
HK\$'million	23.2	23.2	28.1	15.5

Notes:

1. The financial information in relation to the Property set out above is prepared using accounting policies which are materially consistent with those of the Group as set out in the published annual report of the Company for the year ended 31 March 2016.

2. The rental income for the Relevant Period is compiled from the Subsisting Tenancies provided by the Vendor.

3. The Directors engaged PricewaterhouseCoopers, the auditor of the Company, to conduct certain agreed upon procedures on the rental income of the Property for the Relevant Period in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The procedures have been determined by and are the responsibility of the Directors. The auditor of the Company performed the procedures as summarized below:
 - (i) the auditor obtained the Subsisting Tenancies from the Directors. The Subsisting Tenancies were provided by the Vendor to the Group;

 - (ii) the auditor obtained a schedule setting out the floor, names of tenants, lease period, rent free period, annual rental and the corresponding rental income in respect of each Subsisting Tenancies for the Relevant Period (the "Rental Income Summary") prepared by the Directors and compared the information as shown in the Rental Income Summary with the corresponding information shown in the Subsisting Tenancies;

APPENDIX II UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

- (iii) the auditor recalculated the amounts of the rental income for the Relevant Period presented on the Rental Income Summary based on the information set out in the Subsisting Tenancies and the formula stated in the Rental Income Summary;
- (iv) the auditor checked the arithmetic accuracy of the total amount of rental income for the Relevant Period shown in the Rental Income Summary;
- (v) the auditor recalculated the total amounts of rental income denominated in Hong Kong dollar shown in the Rental Income Summary based on the GBP exchange rate of 9.68 for the Relevant Period; and
- (vi) the auditor compared the total amount of rental income for the Relevant Period shown in the Rental Income Summary to the corresponding amount shown in the unaudited financial information of the Property.

The auditor has performed the above agreed-upon procedures set out in the relevant engagement letter with the Company and reported its factual findings based on the agreed-upon procedures to the Directors. Pursuant to the terms of the relevant engagement letter between the Company and the auditor, the reported factual findings should not be used or relied upon by any other parties for any purpose. In the opinion of the Directors, the rental income has been properly compiled based on the information from the Subsisting Tenancies and the Rental Income Summary.

The above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA. Consequently, no assurance is provided by the auditor of the Company on the unaudited financial information of the Property disclosed in this circular and the rental income for the Relevant Period.

Having taken into account the above disclosures of financial information of the Property, the Directors consider the omission of a profit and loss statement for the Property's net income stream for the Relevant Period would not render this circular materially incomplete, misleading or deceptive.

VALUATION OF THE PROPERTY

No valuation of the Property for each of the financial year end and the period end within the Relevant Period has been disclosed herein as the Company has not been able to obtain the valuation reports in respect of the Property from the Vendor. Instead a valuation of the Property as at 31 October 2016 as appraised by an independent valuer is prepared and set out in the Appendix IV of this circular.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) presented below is prepared to illustrate the financial position of the Group as if the Acquisition had been completed on 30 September 2016. This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not purport to represent the true picture of the financial position of the Group as at 30 September 2016 or at any future date had the Acquisition been completed on 30 September 2016.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited condensed consolidated balance sheet of the Group as at 30 September 2016 extracted from the unaudited condensed consolidated financial statements of the Group for the period ended 30 September 2016 as set out in the published interim announcement of the Company, and adjusted for the effects of the Acquisition to illustrate how the Acquisition might have affected the financial position of the Group as if the Acquisition took place on 30 September 2016. The Unaudited Pro Forma Financial Information should be read in conjunction with the other financial information included elsewhere in this circular.

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 September 2016 HK\$'000 <i>Note 1</i>	Pro forma adjustments HK\$'000	<i>Notes</i>	Unaudited pro forma consolidated statement of assets and liabilities of the Group after the Acquisition HK\$'000
Non-current assets				
Property, plant and equipment	64,278			64,278
Investment properties	458,612	803,440	(3)	1,262,052
Land use right	1,541			1,541
Properties for/under development	141,877			141,877
Associated companies	21,561			21,561
Joint venture	340,283			340,283
Available-for-sale financial assets	336,590			336,590
Loans and receivables	<u>11,692</u>			<u>11,692</u>
	<u>1,376,434</u>	<u>803,440</u>		<u>2,179,874</u>
Current assets				
Properties for sale	1,249,941			1,249,941
Inventories	47,586			47,586
Debtors and prepayments	247,637			247,637
Financial assets at fair value through profit or loss	503,280			503,280
		(764,453)	(2)	
		6,398	(4)	
Cash and bank balances	<u>886,343</u>	<u>(46,620)</u>	(5)	<u>81,668</u>
	2,934,787	(804,675)		2,130,112
Assets of disposal group classified as held for sale	<u>499,157</u>			<u>499,157</u>
	<u>3,433,944</u>	<u>(804,675)</u>		<u>2,629,269</u>

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 September 2016 HK\$'000 <i>Note 1</i>	Pro forma adjustments HK\$'000	<i>Notes</i>	Unaudited pro forma consolidated statement of assets and liabilities of the Group after the Acquisition HK\$'000
Current liabilities				
Creditors and accruals	507,297	6,398	(4)	513,695
Sales deposits received	11,657			11,657
Short-term bank borrowings	143,000			143,000
Current portion of long-term bank borrowings	279,507			279,507
Taxation payable	<u>238,251</u>			<u>238,251</u>
	1,179,712	6,398		1,186,110
Liabilities of disposal group classified as held for sale	<u>181,793</u>			<u>181,793</u>
	<u>1,361,505</u>	<u>6,398</u>		<u>1,367,903</u>
Net current assets	<u>2,072,439</u>	<u>(811,073)</u>		<u>1,261,366</u>
Total assets less current liabilities	<u>3,448,873</u>	<u>(7,633)</u>		<u>3,441,240</u>
Non-current liabilities				
Long-term bank borrowings	495,700			495,700
Deferred taxation liabilities	87,102			87,102
Loans and payables with non-controlling interests	<u>12,632</u>			<u>12,632</u>
	<u>595,434</u>			<u>595,434</u>
Net assets	<u><u>2,853,439</u></u>	<u><u>(7,633)</u></u>		<u><u>2,845,806</u></u>

Notes:

- The amounts are extracted from the unaudited condensed consolidated balance sheet of the Group as at 30 September 2016 as set out in the published interim announcement of the Company for the period ended 30 September 2016.
- The adjustment represents the accounting treatments in relation to the Acquisition of the Property. The Property would be classified as investment property in the accounts as the Group intends to hold the Property for rental/or capital appreciation purposes.

The cost of the Property is shown below:

	<i>HK\$'000</i>
Consideration (GBP80,000,000)	774,400
Adjustment relating to the aggregate rent free period rental amounts (GBP1,027,593)	<u>(9,947)</u>
Net Consideration (GBP78,972,407)	<u><u>764,453</u></u>

- In respect of the valuation of the Property carried out by an independent valuer as set out in the Appendix IV to this circular, the Property is valued at GBP83,000,000 (equivalent to approximately HK\$803,440,000) as at 31 October 2016. For the purpose of this unaudited pro forma consolidated statement of assets and liabilities of the Group after the Acquisition, the Directors do not expect that there will be any material differences between the valuation of the Property at 30 September 2016 and that valued at 31 October 2016 and the date of this circular. The Property is measured at fair value under the purchase method of accounting in accordance with HKFRS 3 (Revised) "Business Combinations". This Acquisition gives rise to negative goodwill of approximately GBP4,027,593 (equivalent to approximately HK\$38,987,000).
- The adjustment reflects the recognition of rental deposit and rental received in advance from tenants of approximately GBP661,000 (equivalent to approximately HK\$6,398,000) in respect of the Property, as if the Acquisition had been completed on 30 September 2016. Pursuant to the SP Agreement, the Vendor has to transfer the rental deposit and rental received in advance from tenants in respect of the Property to the Group upon the completion of the Acquisition.
- The adjustment reflects the payment of the estimated legal and professional fee and stamp duty of approximately HK\$8,500,000 and HK\$38,120,000 for the Acquisition respectively.
- On 25 August 2016, the Company and its wholly-owned subsidiary entered into a sale and purchase agreement with independent third parties to dispose of its wholly-owned subsidiaries for a consideration of approximately RMB1,330.4 million (equivalent to approximately HK\$1,545.9 million) (subject to adjustment) (the "**Dongguan Disposal**"). The Dongguan Disposal was announced by the Company on 28 August 2016 and published in the circular on 26 September 2016 respectively. As at 30 September 2016, initial deposit of RMB300 million (equivalent to approximately HK\$348.2 million) was received and recorded in "Creditors and accruals" as shown in the Unaudited Pro Forma Financial Information presented above. All related assets and liabilities of the disposal group were reclassified as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale" respectively as at 30 September 2016 as shown in the Unaudited Pro Forma Financial Information presented above. The Dongguan Disposal was approved by the shareholders of the Company at the special general meeting held on 13 October 2016. The transaction was then completed on 27 October 2016 in accordance with the terms and conditions of the sale and purchase agreement and the consideration was received in full at completion. An estimated net gain of approximately HK\$1.2 billion is expected to be generated from the transaction. As the Dongguan Disposal was completed after 30 September 2016 and is not the subject of this circular, the Dongguan Disposal has not been included in this unaudited pro forma consolidated statement of assets and liabilities of the Group after the Acquisition as shown above.
- No other adjustment (including the Dongguan Disposal in note 6 above) has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2016.

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

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



羅兵咸永道

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

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Chuang's China Investments Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), taking into account the acquisition of the property in London, United Kingdom (the "**Transaction**"), by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 September 2016 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages 16 to 19 of the Company's circular dated 9 December 2016 in connection with the Transaction. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 16 to 19.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Transaction on the Group's financial position as at 30 September 2016 as if the Transaction had taken place at 30 September 2016. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's unaudited condensed consolidated financial statements for the period ended 30 September 2016, on which a review report has been issued.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with

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

Our Independence and Quality Control

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

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant’s Responsibilities

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

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

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

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 September 2016 for the Group’s financial position would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

Opinion

In our opinion:

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 9 December 2016

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Colliers International (Hong Kong) Limited, an independent valuer, in connection with its valuation of the Property as at 31 October 2016.



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

MAIN 852 2822 0527
 FAX 852 2107 6051
 EMAIL vincent.cheung@colliers.com

Suite 5701 Central Plaza
 18 Harbour Road Wanchai
 Hong Kong



The Board of Directors

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

9 December 2016

Dear Sirs,

INSTRUCTIONS, PURPOSE AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of an office building located at 6–12 Fenchurch Street and 1 Philpot Lane, London, United Kingdom (the “Property”) which is going to be acquired by a wholly-owned subsidiary of Chuang’s China Investments Limited (the “Company” and together with its subsidiaries, the “Group”). We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 31 October 2016 (the “Valuation Date”) for acquisition purposes.

VALUATION STANDARDS

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

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value, which is defined by the RICS Valuation — Professional Standards. This is defined as — “The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

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

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

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller disposes of the Property on the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Property.

No allowance has been made for any charges, mortgages or amounts owing on the Property or for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value. Estimates of rental or market value exclude any VAT that may be applicable.

The Property is held as a freehold interest and we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the land tenure.

The Property has been valued on this basis and the understanding that there are no undisclosed matters that would affect the valuation. It is assumed, unless otherwise advised, that the title deeds and leases do not contain any unusual or onerous restrictions, covenants or other encumbrances which would affect the value of the Property. This assumption should be verified by the Group's solicitors.

VALUATION METHODOLOGY

Understanding that the Property is an investment property, we have adopted the Market Approach, which is a method of estimating the value of a property by comparing recent sales of similar interests in the surrounding area. By analysing sales which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments can be made for size, location, time, age, quality and other relevant factors when comparing such sales against a property. This approach is commonly used to value standard properties when reliable sales evidence is available. The Income Approach is used subject to existing tenancies for crosschecking only.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the Property. However, no structural survey has been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects or deleterious materials. No tests were carried out on

any of the services and we cannot advise on the adequacy of plant and machinery servicing the Property and its tenants. We have assumed that the Energy Performance certificates on the Property are of a marketable standard.

INFORMATION SOURCES

We have relied upon information provided by the Group in the dataroom in respect of the title documents, occupational tenancy, planning, statutory notice and area measurement report of the Property which have been accepted as correct for the purpose of this valuation. We have no reason to doubt the truth and accuracy of the information provided by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect any material information has been withheld.

TITLE INVESTIGATION

We have made enquires and relevant searches at the UK Land Registry. However, we have not searched the original documents nor verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in British Pound Sterling (GBP).

Our valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Colliers International (Hong Kong) Limited

Vincent Cheung
BSc(Hons) MBA FRICS MHKIS RPS(GP)
Executive Director
Valuation & Advisory Services — Asia

Note: Vincent Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with over 19 years' experiences in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries including the United Kingdom. He is a fellow member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. He is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

VALUATION CERTIFICATE

Property interest going to be acquired by the Group for investment

Property	Description and Tenure	Particulars of Occupancy	Market Value as at 31 October 2016 GBP
6–12 Fenchurch Street and 1 Philpot Lane, London, United Kingdom (the “Property”)	<p>The Property occupies a prominent corner position on the south side of Fenchurch Street at its junction with Philpot Lane to the east. Fenchurch Street itself is one of the principal arterial routes through the City of London, connecting directly with Gracechurch Street just to the west.</p> <p>The Property was originally developed in the 1980s and substantially redeveloped in 2009 to include the addition of two brand-new storeys and all new plant, machinery and services.</p> <p>The Property provides approximately 77,652 sq. ft. (as measured by Plowman Craven, and wholly relied upon for this valuation) of Grade A office, retail and ancillary accommodation over basement, ground and ten upper floors.</p> <p>Commensurate with a Grade A office building, the general specification includes:</p> <ul style="list-style-type: none"> ● Fan coil air-conditioning ● Metal tiled suspended ceilings ● LG7 enabled lighting ● Fully accessible raised floors ● Male, female and disabled WC’s on all floors ● Bicycle storage and shower facilities ● 2 x 13 person passenger lifts ● 1 x 10 person passenger lift ● 1 x goods lift <p>The Property is held freehold.</p>	<p>The Property is multi-let to six office tenants and two retail tenants producing a total passing rent of GBP3,784,098 per annum. The latest tenancy expires in July 2025.</p>	<p>83,000,000 (Eighty-Three Million Only)</p>

Notes:

1. The Property was inspected by Lucinda Lee-Bapty, Director of Valuation & Advisory Services — Colliers International Valuation UK LLP on 1 November 2016.
2. This certificate was prepared by Vincent Cheung MHKIS FRICS RPS(GP).
3. As advised by the Group, on 4 November 2016 (United Kingdom time), the purchaser (Noble Title Limited, an indirect wholly-owned subsidiary of the Company), entered into a sale and purchase agreement (the “SP Agreement”) with the vendor (Standard Life Assurance Limited), pursuant to which the purchaser has agreed to acquire, and the vendor has agreed to sell, the Property at the consideration of GBP80,000,000 (equivalent to approximately HKD774,400,000), subject to adjustment. The translation of GBP into HKD is based on the approximate exchange rate of GBP1.00 = HKD9.68 based on the Group’s announcement dated 6 November 2016.
4. Pursuant to the SP Agreement, the vendor has agreed to top-up and reimburse to the purchaser the aggregate rent free period rental amounts of the existing leases of the Property during the period from completion of the acquisition of the Property until the expiry of the respective leases. The purchaser and the vendor agreed that such amount will be GBP1,027,593 (equivalent to approximately HKD9,947,100), and will be deducted from the consideration payable by the purchaser on the date of completion of the acquisition of the Property. Therefore the net consideration is GBP78,972,407 (unit rate of GBP1,017 per sq. ft.). The translation of GBP into HKD is based on the approximate exchange rate of GBP1.00 = HKD9.68.
5. The details of the current land search records of the Property dated 1 November 2016 are summarized below:

Address: 6–12 Fenchurch Street and 1 Philpot Lane, London, United Kingdom
Registered Owner: Standard Life Assurance Limited (Scot. Co. Registration. No. SC286833)

6. The details of the current tenancy schedule are summarized as below:

Floor	Tenant	Lease Start	Lease Expiry	Annual Passing Rent (GBP)
10/F and Part of B/F	Matthews-Daniel International (London) Limited	2/10/2009**	1/10/2019	346,905
9/F	Atradius Credit Insurance N.V.	25/5/2010	24/5/2020	394,212
7F, 8/F and Part of B/F	Hannover Services (UK) Limited	30/7/2010	29/7/2020	793,200
6/F	Sugarman Group Limited	4/2/2011	4/2/2021	311,373*
5/F	Apptio Europe Limited	4/12/2014	3/12/2024	411,873
1/F–4/F	International Insurance Company of Hannover SE	21/3/2012	20/3/2022	1,075,035*
G/F (Unit 1)	Vodafone Limited	10/11/2009	9/11/2019	246,500
G/F (Unit 2)	Paperchase Products Limited	6/7/2010	5/7/2025	205,000*

* As advised by the Group, it is expected that rent review will be carried out within 6 months after completion of the SP Agreement

** As for Part of B/F, the lease started on 9/7/2010.

7. The Property falls within an area zoned as commercial use. The most salient planning application at the subject site was under Reference 07/00480/FULL in July 2007 for “Refurbishment and extension of existing building for retail (Class A1) and office purposes (Class B1) (9,762 sq. m.)” and was approved. The Property is neither listed nor situated in a Conservation Area.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (“**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

(i) *Interests in the Company*

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

(ii) *Interests in Chuang’s Consortium*

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

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

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

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

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

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital:

(i) Long positions in the Shares

Name	Nature of interest	Number of Shares	Percentage of shareholding
PSL (<i>Note 1</i>)	Beneficial owner	1,361,804,923	57.4%
Chuang's Consortium (<i>Note 1</i>)	Interest in controlled corporation	1,361,804,923	57.4%
Evergain Holdings Limited (<i>Note 1</i>)	Interest in controlled corporation	1,361,804,923	57.4%
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang") (<i>Note 1</i>)	Interest in controlled corporation	1,361,804,923	57.4%
Mrs. Chong Ho Pik Yu (<i>Note 2</i>)	Interest of spouse	1,361,804,923	57.4%

Notes:

- Interests in the 1,361,804,923 Shares were beneficially owned by PSL as at the Latest Practicable Date. PSL is a wholly-owned subsidiary of Chuang's Consortium. Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of Chuang's Consortium through Evergain Holdings Limited ("**Evergain**"), a company

beneficially owned by Mr. Alan Chuang. Mr. Albert Chuang is a director of PSL, Chuang's Consortium and Evergain. Mr. Chong Ka Fung is a director of Chuang's Consortium and Evergain.

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

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

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

[#] *English translation only*

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

Interests in contract or arrangement

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

Interests in assets

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2016, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Service contracts

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

Interests in other competing business

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

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

3. LITIGATION

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

4. EXPERTS AND CONSENTS

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

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants
Colliers International (Hong Kong) Limited	Professional surveyor and valuer

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

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

Each of PricewaterhouseCoopers and Colliers International (Hong Kong) Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or report and/or references to its name, in the form and context in which they respectively appear.

5. MATERIAL CONTRACTS

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

- (a) the sale and purchase agreement dated 21 April 2015 entered into between Chuang's China Realty Limited ("**Chuang's China Realty**"), a wholly-owned subsidiary of the Company, the Company, Dah Hua Printing Press Company Limited ("**Dah Hua**"), a wholly-owned subsidiary of Midas, and Midas for the acquisition by Chuang's China Realty from Dah Hua the entire registered capital of Dongguan Midas Printing Company Limited[#] (東莞勤達印刷有限公司) for a consideration of approximately RMB101.6 million, details of which were set out in the announcement and the circular of the Company dated 21 April 2015 and 13 May 2015 respectively;
- (b) the underwriting agreement dated 17 March 2016 (the "**Underwriting Agreement**") entered into between the Company and Kingston Securities Limited in relation to the issue of the 810,571,772 new shares of the Company by way of rights issue to the Shareholders for subscription on the terms set out in the Underwriting Agreement and the prospectus document of the Company dated 7 April 2016;
- (c) the sale and purchase agreement dated 25 August 2016 entered into between Chuang's China Realty, the Company, View Glory Enterprises Limited ("**View Glory**") and Angel View International Limited for the disposal by Chuang's China Realty to View Glory of the entire issued share capital of, and the shareholder's loan owing by, Chuang's Development (Dong Guan) Limited for a consideration of approximately RMB1,330.4 million (equivalent to approximately HK\$1,545.9 million) (subject to adjustment), details of which were set out in the announcement and the circular of the Company dated 28 August 2016 and 26 September 2016 respectively; and
- (d) the SP Agreement.

[#] *English translation only*

6. GENERAL

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

7. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the years ended 31 March 2014, 2015 and 2016 and the published interim results announcement of the Company for the period ended 30 September 2016;
- (c) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III to this circular;
- (d) the valuation report prepared by Colliers International (Hong Kong) Limited in relation to the Property, the text of which is set out in Appendix IV to this circular;
- (e) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (f) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix; and
- (g) this circular.

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