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

If you have sold or transferred all your shares in **Veeko International Holdings Limited** 威高國際控股有限公司, you should at once hand this circular to the purchaser or transferee or to the bank manager, 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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Veeko®

VEEKO INTERNATIONAL HOLDINGS LIMITED

威高國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1173)

MAJOR TRANSACTION

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

25 April 2019

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DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor under the PSPA
“Announcement”	the announcement of the Company dated 3 March 2019 in relation to the Acquisition
“Board”	the board of Directors
“Company”	Veeko International Holdings Limited 威高國際控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1173)
“Consideration”	HK\$117,500,000, being the purchase price of the Property
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement dated 15 March 2019 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected to the Company and any of its connected persons or any of their respective associates
“Latest Practicable Date”	18 April 2019, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Property”	the whole of ground floor of No. 88 San Hong Street North New Territories, Hong Kong
“Property Agent”	Midland Realty (Shops II) Ltd.
“PSPA”	the provisional sale and purchase agreement dated 2 March 2019 and entered into between the Vendor, the Purchaser and the Property Agent in respect of the Acquisition
“Purchaser”	Colourmix Cosmetics Company Limited, a wholly owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Silver Crown”	Silver Crown Profits Limited, being a controlling Shareholder holding 1,393,347,737 Shares (representing approximately 55.34% of the issued share capital of the Company as at the Latest Practicable Date)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	owner of the Property as at the Latest Practicable Date
“%”	per cent

LETTER FROM THE BOARD

Veeko®

VEEKO INTERNATIONAL HOLDINGS LIMITED

威高國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1173)

Executive Directors:

Mr. Cheng Chung Man, Johnny (*Chairman*)

Ms. Lam Yuk Sum (*Chief Executive Officer*)

Non-executive Director:

Mr. Lam Man Tin

Independent non-executive Directors:

Mr. Au-Yeung Hau Cheong

Dr. Fok Kam Chu, John

Mr. Yeung Wing Kay

Registered office:

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Cayman Islands

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192-200 Tai Lin Pai Road

Kwai Chung, New Territories

Hong Kong

25 April 2019

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

I. INTRODUCTION

Reference is made to the Announcement.

This circular is despatched to the Shareholders for information purposes only. As disclosed in the Announcement, to the best of the Directors' knowledge and belief, after having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Acquisition, thus no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition. Pursuant to Rule 14.44 of the Listing Rules, the Company has obtained written approval from Silver Crown, being the controlling Shareholder holding 1,393,347,737 Shares (representing approximately 55.34% of the issued share capital of the Company as at the Latest Practicable Date, for approving the PSPA, the Formal Agreement and the transactions contemplated thereunder. Accordingly, no extraordinary general meeting will be convened to approve the PSPA, the Formal Agreement and the transactions contemplated thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the PSPA, the Formal Agreement and the transactions contemplated thereunder; (ii) certain financial information as required under the Listing Rules; (iii) further information of the Group; and (iv) the valuation report on the Property.

LETTER FROM THE BOARD

II. MAJOR TRANSACTION

On 2 March 2019, the Purchaser entered into the PSPA with the Vendor, an Independent Third Party, and the Property Agent pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Property at the Consideration of HK\$117,500,000. The Property shall be acquired from the Vendor on an “as is” basis and subject to existing tenancy. The principal terms of the PSPA are set out below.

THE PSPA AND THE FORMAL AGREEMENT

Details of the PSPA and the Formal Agreement and the transaction contemplated thereunder are set out below:

THE PSPA

Date: 2 March 2019

Parties: (1) The Vendor, as vendor;
(2) The Purchaser, as purchaser; and
(3) The Property Agent

To the best of the Directors’ knowledge and belief, having made all reasonable enquiry, the Vendor, the Property Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter: The whole of ground floor of No. 88 San Hong Street North New Territories, Hong Kong

The Property is to be sold to the Purchaser on an “as is” basis. Pursuant to the PSPA, the Vendor and the Purchaser entered into the Formal Agreement on 15 March 2019.

Consideration: HK\$117,500,000

The Consideration of HK\$117,500,000 was determined after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the market value of similar properties in similar locations. The Directors have obtained estimated market price of the Property prior to signing of the PSPA. A valuation of the Property was subsequently performed by Savills Valuation and Professional Services Limited, an independent professional valuer appointed by the Company, which valued the market value of the Property at approximately HK\$120,000,000 as at 28 February 2019. The Directors, including the independent non-executive Directors, consider that the Consideration is fair and reasonable. The valuation report of the Property performed by Savills Valuation and Professional Services Limited is set out in Appendix IV to this circular.

LETTER FROM THE BOARD

The Consideration shall be paid by the Purchaser by way of cash in the following manner:

- (1) initial deposit of HK\$5,875,000, representing 5% of the Consideration, upon signing of the PSPA;
- (2) further deposit of HK\$5,875,000, representing 5% of the Consideration, on or before 15 March 2019; and
- (3) HK\$105,750,000, representing the balance of the Consideration, upon completion of the Acquisition.

In the event that the Purchaser fails to (i) pay the further deposit in accordance with the PSPA (i.e. paying the further deposit of HK\$5,875,000 on or before 15 March 2019); or (ii) complete the Acquisition (save as in the event that the PSPA being terminated in accordance with the terms thereof), the Vendor will be entitled not to proceed to completion of the Acquisition, and forfeit the deposit paid by the Purchaser absolutely.

In the event that there is any encumbrance with the title of the Property, the Vendor shall refund the deposit in full (to the extent paid and without interest) to the Purchaser, and the Purchaser shall not have any rights to claim against the Vendor, including other damages, costs and specific performance. The Vendor and the Purchaser shall enter into an agreement for cancellation of sale and purchase of the Property.

It is expected that the Consideration will be financed by a combination of internal resources of the Group and bank borrowings. As at the Latest Practicable Date, the Group was still in the process of applying for mortgage financing with a bank.

Stamp duty: All stamp duty shall be borne by the Purchaser.

Completion: Completion of the Acquisition will take place on or before 18 June 2019 and is conditional upon obtaining the approval of the Shareholders as required by and in accordance with the Listing Rules. In the event the Shareholders' approval is not obtained within 90 days from the date of the PSPA, the Acquisition shall be null and void, all deposits paid (being 10% of the Consideration) shall be forfeited by the Vendor, and the parties to the PSPA shall as soon as practicable at their respective costs enter into an agreement for cancellation of the sale and purchase of the Property and release each other from all further obligations and liabilities under the PSPA and none of the parties to the PSPA shall have any right to seek specific performance of the PSPA and any such right is thereby waived to the fullest extent.

LETTER FROM THE BOARD

The Purchaser undertakes to procure the Company as soon as practicable to convene a meeting of the Shareholders or to obtain the written approval of a Shareholder or its closely allied group of Shareholders in accordance with the Listing Rules for obtaining such approval.

As at the Latest Practicable Date, the Company has obtained the written approval from Silver Crown, the controlling Shareholder.

The Formal Agreement

The Purchaser and the Vendor entered into the Formal Agreement on 15 March 2019, which has incorporated the terms and conditions in the PSPA as set out above.

Existing tenancy agreement

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, based on the information provided by the Vendor as at the Latest Practicable Date, the Property is currently leased by the Vendor to a tenant, namely, Yue Fung Dispensary Company Limited, while such tenant being an Independent Third Party and it has no relationship with the Company and its connected persons. Details of the existing tenancy arrangement regarding the Property are set out below:

	Rental	Current term of tenancy
The Property	Approximately HK\$248,000 per month (exclusive of government rates, government rent and management fee)	From 1 April 2018 up to 31 December 2020

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, based on the information provided by the Vendor as at the Latest Practicable Date, prior to the term of the current tenancy arrangement, the Property was leased by the Vendor to the same tenant of the current tenancy arrangement with a monthly rental of approximately HK\$178,000 (exclusive of government rates, government rent and management fee) between 1 March 2016 and 31 March 2018. Based on the current information available to the Company in respect of the rental of the Property during the two years ended 31 March 2018, the Group would have generated net profit before and after taxation of approximately HK\$2,136,000 and HK\$1,784,000 respectively for the two years ended 31 March 2018 from the rental income in respect of the Property.

INFORMATION OF THE VENDOR

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is an individual and an Independent Third Party. The Company does not have any transactions with the Vendor completed within 12 months prior to the Acquisition.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP AND REASONS OF ACQUISITION

The Group is principally engaged in the manufacture and retail of ladies' apparel under the Group's two own brand names, namely *Wanko* and *Veeko*, and the retailing of cosmetics and skin care products at its cosmetics chain stores *Colourmix* and *MORIMOR*.

It is intended that the Property would be used for investment purposes by leasing out for rental income. Upon the expiry of the existing tenancy agreement, the Group shall evaluate the benefit of continuing leasing of the Property against the benefit of using the Property as the Group's store.

Prior to entering into the PSPA, the Group conducted due diligence by (i) paying site visit; and (ii) conducting land search on the Property. Prior to entering into the PSPA, the Group first became aware of an encumbrance on the Property. A notice (the "**Notice**") was issued by the Building Authority in 2009 as a result of the structure (the "**Structure**") covering the yard of the Property which has been erected in contravention of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) (the "**Ordinance**"). Pursuant to the Notice, the Structure should be (i) demolished; or (ii) altered in such a manner as to cause the Structure to comply with the Ordinance, or the owner of the Structure shall take appropriate actions to put an end to the contraventions of the Ordinance on or before 12 April 2009. It was noted that as at the date of the PSPA, the Formal Agreement and the Latest Practicable Date, the Structure was yet to be either demolished or altered to comply with the Ordinance. To the best of the Directors' knowledge and belief, the Vendor has had no intention to demolish the Structure prior to completion of the Acquisition. In order to comply with the Ordinance, the Group has the intention to demolish the Structure after completion of the Acquisition. It is expected that the cost involved in demolishing or altering the Structure to re-comply with the Ordinance would be approximately HK\$75,000. Having considered that (a) the Structure could be demolished without intervening any operations on the Property materially; (b) the estimated costs involved in demolishing or altering the Structure to re-comply with the Ordinance would be minimal as compared to the Consideration; (c) the Consideration was below the market value of the Property as at 28 February 2019 by approximately HK\$2.5 million; and (d) the potential benefits from the Acquisition (i.e. rental income derived from the existing tenancy arrangement and potential gains from such property investment) outweigh the risks associated with it (i.e. to demolish the Structure), the Directors considered that (i) the Consideration is fair and reasonable; and (ii) it is fair and reasonable for the Company to demolish the Structure rather than the Vendor. As such, the Directors have decided to proceed with the Acquisition, despite being aware of such encumbrance on the Property.

The Board (including the independent non-executive Directors) is of the view that the entering into of the PSPA and the Formal Agreement is on normal commercial terms and the terms of the PSPA and the Formal Agreement are fair and reasonable and in the interests of the Shareholders and the Company as a whole. The Directors consider that the Acquisition represents a good investment opportunity for the Group.

FINANCIAL EFFECTS OF THE ACQUISITION

The Company has submitted application for mortgage financing with a bank and planned to finance 30% of the total Consideration (being HK\$35,250,000) with bank mortgage. If such mortgage financing becomes available to the Group, it is expected that upon completion of the Acquisition, there will be an increase in total assets of approximately HK\$105,000,000, comprising an increase in investment properties of approximately HK\$128,458,000 (being the total of the Consideration of HK\$117,500,000 together with other directly attributable costs of the Acquisition of approximately HK\$10,958,000,

LETTER FROM THE BOARD

comprising stamp duty of approximately HK\$9,988,000, legal and professional fee of approximately HK\$920,000 and agency commission of HK\$50,000), and netted off by a decrease in (i) bank balances and cash of approximately HK\$15,000,000; and (ii) fair value of the Property of approximately HK\$8,458,000. On the other hand, it is expected that there will be an increase in total liabilities of approximately HK\$113,458,000, being the mortgage of approximately HK\$35,250,000 in addition to other directly attributable costs of the Acquisition amounting to approximately HK\$970,000, being the directly attributable costs of the Acquisition and revolving loans of HK\$77,238,000. For further details, please refer to the unaudited pro forma statement and assets and liability of the Group upon completion of the Acquisition as set out in Appendix III to this circular. Moreover, based on preliminary proposed term sheet offered by the bank, the mortgage loan interest rate is expected to be approximately prime rate minus 2.8% per annum. Accordingly, the estimated monthly mortgage loan interest expense will be approximately HK\$76,000.

III. LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (within the meaning of the Listing Rules) for the Acquisition exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Accordingly, the Acquisition is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution to approve the PSPA, the Formal Agreement and the transactions contemplated thereunder if the Company were to convene a general meeting for such approval. Silver Crown, being the controlling Shareholder holding 1,393,347,737 Shares (representing approximately 55.34% of the issued share capital of the Company as at the Latest Practicable Date), has given its written approval for the PSPA, the Formal Agreement and the transactions contemplated thereunder, and such written approval is accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. As a result, no extraordinary general meeting will be convened for the purpose of approving the PSPA, the Formal Agreement and the transactions contemplated thereunder.

IV. FURTHER INFORMATION

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

V. WARNING NOTICE

Completion of the transactions contemplated under the Formal Agreement is subject to the satisfaction of the conditions precedent. Therefore, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

Yours faithfully,
By order of the Board
Veeko International Holdings Limited
威高國際控股有限公司
Cheng Chung Man, Johnny
Chairman

1. FINANCIAL SUMMARY

The audited consolidated financial statements of the Group for each of the three years ended 31 March 2018 and the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2018, together with the relevant notes thereto are disclosed in the following documents:

- interim report of the Group for the six months ended 30 September 2018 published on 19 November 2018 (pages 1 to 33);
- annual report of the Group for the year ended 31 March 2018 published on 26 June 2018 (pages 41 to 128);
- annual report of the Group for the year ended 31 March 2017 published on 26 June 2017 (pages 49 to 128); and
- annual report of the Company for the year ended 31 March 2016 published on 27 June 2016 (pages 37 to 108).

2. STATEMENT OF INDEBTEDNESS

Borrowings

As at 28 February 2019, the Group's borrowings were as follows:

	As at 28 February 2019 <i>(HK\$'000)</i>
Secured bank borrowings	252,504
Unsecured bank borrowings	9,000
	<hr/>
Total	261,504
	<hr/> <hr/>

Security

As at 28 February 2019, the Group's bank borrowings were secured by way of charge over the following assets:

	As at 28 February 2019 <i>(HK\$'000)</i>
Investment properties	168,438
Leasehold land and buildings and prepaid lease payments	144,293
	<hr/>
Total	312,731
	<hr/> <hr/>

As at 28 February 2019, the Group's bank borrowings were secured by the Group's properties with an aggregate carrying amount of approximately HK\$312,731,000.

Saved as disclosed and apart from intra-group liabilities and normal trade and other payables, the Group did not have any outstanding indebtedness in respect of any mortgages, charges or debentures, loan capital, bank loans and overdrafts, loans debt securities or other similar indebtedness, or hire purchase commitments, finance lease commitments, guarantees or material contingent liabilities as at 28 February 2019.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the announcement of the Company dated 15 March 2019, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2018 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

4. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiries, are of the opinion that following completion of the Acquisition, after taking into account the Group's internal resources, cash flow from operations, facilities available to the Group, the Group has sufficient working capital to satisfy its requirements for at least the next 12 months following the date of this circular, in the absence of unforeseeable circumstances.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in the manufacture and retail of ladies' apparel under the Group's two own brand names, namely *Wanko* and *Veeko*, and the retailing of cosmetics and skin care products at its cosmetics chain stores *Colourmix* and *MORIMOR*.

It is intended that the Property would be used for investment purposes by leasing out for rental income. Upon the expiry of the existing tenancy agreement, the Group shall evaluate the benefit of continuing leasing of the Property against the benefit of using the Property as the Group's store.

The Group will continue to explore for investment opportunities with an aim to increase rental income through investments in properties, in order to further diversify and broaden revenue sources of the Group and generate fabulous returns and long-term values for the Shareholders.

APPENDIX II UNAUDITED PROFIT AND LOSS STATEMENT ON THE IDENTIFIABLE NET INCOME STREAM IN RELATION TO THE PROPERTY

UNAUDITED PROFIT AND LOSS STATEMENTS OF THE PROPERTY

In accordance with Rule 14.69(4)(b)(i) of the Listing Rules, the Company is required to include in this Circular a profit and loss statement for the three preceding financial years on the identifiable net income stream in relation to such assets which must be reviewed by the reporting accountants to ensure that such information has been properly compiled and derived from the tenancy agreements provided by the Vendor from the Directors (the “**Tenancy Agreements**”).

The unaudited profit and loss statements (the “**Unaudited Profit and Loss Statements**”) of the Property for the years ended 31 March 2016, 2017 and 2018 and nine months ended 31 December 2018 (the “**Relevant Periods**”) prepared by the Directors based on the information provided by the Vendor are set out below:

	Year ended 31 March			Nine months ended
	2016	2017	2018	31 December 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Gross rental income	1,308	2,136	2,136	2,232
Administrative expenses*	—	—	—	—
	<u>1,308</u>	<u>2,136</u>	<u>2,136</u>	<u>2,232</u>

* Pursuant to the tenancy agreement entered into between the Vendor and the tenant of the Property, the expenses were borne by the tenant during the Relevant Periods.

Pursuant to Rule 14.69(4)(b)(i) of the Listing Rules, the Directors engaged Deloitte Touche Tohmatsu, the reporting accountants of the Company, to perform certain factual finding procedures on the compilation of the Unaudited Profit and Loss Statements as shown above 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 are performed solely to assist the Directors to assess whether such information was in agreement with the Tenancy Agreements and are summarised as follows:

1. The reporting accountants obtained the Unaudited Profit and Loss Statements of the Property from the Directors which set out the gross rental income and administrative expenses for the Relevant Periods.
2. The reporting accountants obtained the schedule setting out the names and addresses of lessors and lessees, rental periods and monthly rent and administrative expenses pertaining to the Property for the Relevant Periods (the “**Gross Rental Income Summary**”) from the Directors and checked the arithmetical accuracy of the calculation of gross rental income for the Relevant Periods.

**APPENDIX II UNAUDITED PROFIT AND LOSS STATEMENT ON THE
IDENTIFIABLE NET INCOME STREAM
IN RELATION TO THE PROPERTY**

3. The reporting accountants obtained the copies of the Tenancy Agreements and compared the names and addresses of the lessors and lessees, rental periods and monthly rent and the expense responsibility clause of the Property (the “**Particulars**”) as shown in the Gross Rental Income Summary to the corresponding details in the Tenancy Agreements.
4. The reporting accountants compared the gross rental income and administrative expenses for the Relevant Periods as shown in the Gross Rental Income Summary to the respective amounts of gross rental income and administrative expenses shown in the Unaudited Profit and Loss Statements.

The reporting accountants’ factual findings are as follows:

- a. With respect to procedure 1, the reporting accountants obtained the Unaudited Profit and Loss Statements from the Directors which set out the gross rental income and administrative expenses for the Relevant Periods.
- b. With respect to procedure 2, the reporting accountants obtained the Gross Rental Income Summary from the Directors and found the calculation of gross rental income for the Relevant Periods to be arithmetically accurate.
- c. With respect to procedure 3, the reporting accountants obtained the Tenancy Agreements from the Directors and found the Particulars as shown in the Gross Rental Income Summary to be in agreement with the corresponding details in the Tenancy Agreements.
- d. With respect to procedure 4, the reporting accountants found the gross rental income and administrative expenses for the Relevant Periods as shown in the Gross Rental Income Summary to be in agreement with the respective amounts of gross rental income and administrative expenses as shown in the Unaudited Profit and Loss Statements.

The reporting accountants 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 reporting accountants, 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 Unaudited Profit and Loss Statements have been properly compiled and derived from the Tenancy Agreements.

The work performed by the reporting accountants in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, Hong Kong Standards on Assurance Engagements or Hong Kong Standards on Investment Circular Reporting Engagements issued by the HKICPA and consequently no assurance has been expressed by Deloitte Touche Tohmatsu on the profit and loss statements of the Property.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**Introduction**

The following is an illustrative unaudited pro forma statement of assets and liabilities (the “Unaudited Pro Forma Financial Information”) of Veeko International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 September 2018 in connection with the proposed acquisition of a property comprising the whole of the ground floor of No. 88 San Hong Street North New Territories, Hong Kong (the “Property”) (the “Acquisition”). The Unaudited Pro Forma Financial Information presented below is prepared to illustrate effects of the Acquisition on the financial position of the Group as if the Acquisition had been completed on 30 September 2018.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2018 extracted from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2018 included in the published interim report for the six months ended 30 September 2018, after making pro forma adjustments relating to the Acquisition that are directly attributable to the Acquisition and not relating to future events or decisions; and factually supportable.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with paragraph 4.29(7) of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, for illustrative purposes only and is based on a number of assumptions, estimates, uncertainties and currently available information. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Group that would have been attained had the Acquisition been completed on 30 September 2018 nor purport to predict the Group’s future financial position.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial statements of the Group as set out in the published interim report of the Group for the six months ended 30 September 2018, and other financial information included elsewhere in the circular.

**APPENDIX III UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP UPON COMPLETION**

	Statement of assets and liabilities of the Group as at 30 September 2018 <i>HK\$'000</i> <i>(Note 1)</i>	Pro forma adjustments for the Acquisition <i>HK\$'000</i> <i>(Note 2)</i>	Pro forma statement of assets and liabilities of the Group after the Acquisition <i>HK\$'000</i>
NON-CURRENT ASSETS			
Investment properties	167,548	120,000	287,548
Property, plant and equipment	177,689		177,689
Prepaid lease payments	4,379		4,379
Rental deposits paid	47,839		47,839
Deferred tax assets	5,157		5,157
	402,612	120,000	522,612
CURRENT ASSETS			
Inventories	534,067		534,067
Trade and other receivables	42,513		42,513
Prepaid lease payments	169		169
Rental and utility deposits paid	55,717		55,717
Tax recoverable	9,373		9,373
Bank balances, deposits and cash	34,745	(15,000)	19,745
	676,584	(15,000)	661,584
CURRENT LIABILITIES			
Trade and other payables	98,961	113,458	212,419
Dividends payable	12,288		12,288
Rental deposits received	34		34
Secured bank borrowings	276,364		276,364
Tax payable	1,654		1,654
	389,301	113,458	502,759
NET CURRENT ASSETS	287,283	(128,458)	158,825
TOTAL ASSETS LESS CURRENT LIABILITIES	689,895	(8,458)	681,437
NON-CURRENT LIABILITIES			
Deferred tax liabilities	7,017		7,017
Rental deposits received	1,425		1,425
	8,442	–	8,442
NET ASSETS	681,453	(8,458)	672,995

Note 1

The amounts are extracted from unaudited condensed consolidated statement of financial position of the Group as at 30 September 2018 as set out in the published interim report of the Group for the six months ended 30 September 2018.

Note 2

The adjustments are to reflect the Acquisition which included (i) the cash consideration of HK\$117,500,000 and (ii) other directly attributable costs of the Acquisition of approximately HK\$10,958,000, comprising stamp duty of approximately HK\$9,988,000, agency commission of approximately HK\$50,000 and legal and professional fees of HK\$920,000. The Property is classified as an investment property as the Group intends to lease out the Property to an independent third party after the completion of the Acquisition and there is no concrete plan to use the Property for its own operations. The investment property is initially measured at cost, including any directly attributable expenditures, and will subsequently be stated at fair value of HK\$120,000,000 in accordance with the Group's accounting policies. The fair value of the Property at 28 February 2019 have been arrived on the basis of valuation carried out on that date by Savills Valuation and Professional Services Limited, an independent qualified professional valuer not connected with the Group which is possessing the appropriate qualifications and experience in the valuation of the Property in the relevant location.

Note 3

No other adjustments have been made to the Unaudited Pro Forma Financial Information of the Group to reflect any trading results or other transactions of the Group subsequent to 30 September 2018 where applicable. The adjustments disclosed in the above notes in respect of the Unaudited Pro Forma Financial Information of the Group are not expected to have a continuing effect on the Group.

**APPENDIX III UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP UPON COMPLETION**

The following is the text of a report prepared for the purpose of incorporation in this circular in respect of the unaudited pro forma financial information of the Group, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong as at 25 April 2019.

Deloitte.

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

To the Directors of Veeko International Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Veeko International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 September 2018 and related notes as set out on pages III-1 to III-3 of Appendix III to the circular issued by the Company dated 25 April 2019 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-1 to III-3 of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of a property comprising the whole of the ground floor of No. 88 San Hong Street North New Territories, Hong Kong on the Group's financial position as at 30 September 2018 as if the event or transaction had taken place at 30 September 2018. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the period ended 30 September 2018, on which no auditor's report or review report has been published.

Directors' Responsibilities 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 (the "HKICPA").

Our Independence and Quality Control

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

**APPENDIX III UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP UPON COMPLETION**

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” 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 Accountants’ Responsibilities

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

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

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

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group 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 event or transaction at 30 September 2018 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.

**APPENDIX III UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP UPON COMPLETION**

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, 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 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
25 April 2019



Savills Valuation and
Professional Services Limited
1208, Cityplaza One
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25 April 2019

The Directors
Veeko International Holdings Limited
10th Floor
Wyler Centre Phase II
192-200 Tai Lin Pai Road
Kwai Chung, New Territories
Hong Kong

Dear Sirs,

**RE: The whole of ground floor of No. 88 San Hong Street North New Territories, Hong Kong
(THE "PROPERTY")**

In accordance with the instructions from Veeko International Holdings Limited (the "Company") together with its subsidiaries (the "Group") for us to value the Property to be acquired by the Group for investment purposes, we confirm that we have carried out inspections, 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 28 February 2019 ("the Date of Valuation") for the purposes of inclusion in a public circular to be issued by the Company on 25 April 2019 in relation to a major transaction.

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 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.

Our valuation has been undertaken in accordance with the HKIS Valuation Standards 2017 published by The Hong Kong Institute of Surveyors (“HKIS”), which incorporates the International Valuation Standards (“IVS”), and (where applicable) the relevant HKIS or jurisdictional supplement. Our valuation has also complied with Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Identification and Status of the Valuer

The subject valuation exercise is handled by Mr. Charles Chan and Mr. Freddie Ling. Mr. Charles Chan is the Managing Director of Savills Valuation and Professional Services Limited (“SVPSL”) and a Fellow of HKIS with over 34 years’ experience in valuation of properties in Hong Kong. Mr. Freddie Ling is the Senior Director of SVPSL and a Member of HKIS with over 33 years’ experience in valuation of properties in Hong Kong. Both of them have sufficient knowledge of the relevant market, skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation services in respect of the Property, SVPSL had not been involved in valuation of the Property in the past 12 months.

We are independent of the Company. The proportion of the total fee payable by the Company during the preceding year relative to the total fee income of SVPSL during the preceding year is minimal. We are not aware of any instances, which would give rise to potential conflict of interest from SVPSL or Mr. Charles Chan or Mr. Freddie Ling in the subject exercise. We confirm SVPSL, Mr. Charles Chan and Mr. Freddie Ling are in the position to provide objective and unbiased valuation for the Property.

Valuation Methodology

In preparing our valuation of the Property, we have adopted the income capitalization approach whereby the rental income of contractual tenancy for the unexpired term and the reversionary market rent after expiry of tenancy are capitalized; and cross-checked the assessment by the sales comparison approach with reference to sales of comparable properties as available in the market.

Title Investigations

We have not been provided with copies of title documents relating to the Property but we have caused searches of the Property at the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. As advised by the Company and to the best of their knowledge, there are no significant investigations, notices, pending litigation, breaches of law or title defects against the Property. In the course of our valuation, we have assumed that the Property has good legal title and is freely transferable in the market. We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of your legal advisers.

Valuation Consideration and Assumptions

We have relied to a very considerable extent on information given by the Company and have accepted information given to us on such matters as planning approvals or statutory notices, easements, tenure, letting and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, and have been advised by the Company that no material facts have been omitted from the information provided.

We have not carried out on-site measurements to verify the correctness of the floor areas in respect of the Property. Dimensions, measurements and areas included in this report are based on information contained in the documents provided to us and are therefore only approximations.

We have inspected the exterior of the Property. Our inspection was carried out by Mr. Martin Wong, MRICS, MHKIS and Ms. Carman Lai, MSc in Construction and Real Estate, in March 2019. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report that the Property is free of rot, infestation or any other structural defect. No tests were carried out to any of the services. No environmental study for the Property has been made. In undertaking our valuation, we have assumed that the interior of the Property is finished and maintained in reasonable conditions commensurate with its age and use and the Property is in its original/approved layouts without any unauthorized structures, extensions and alterations. We have also assumed in our valuation that the Property is provided with normal and satisfactory building services for its existing uses as at the Date of Valuation.

As advised by the Company and to the best of their knowledge, there were no plans for substantial construction, renovation, improvement, development or change of uses of the Property as at the Date of Valuation.

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

Except for the purpose of disclosure in the public circular to be issued by the Company in connection with the major transaction, neither the whole nor any part of the valuation report nor any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it may appear.

We enclose herewith our valuation report.

Yours faithfully

For and on behalf of

Savills Valuation and Professional Services Limited

Charles C K Chan

MSc FRICS FHKIS MCIArb RPS(GP)

Managing Director

Freddie Ling

MRICS MHKIS RPS(GP)

Senior Director

Note: Mr. Charles C K Chan is a professional surveyor who has over 34 years' experience in valuation of properties in Hong Kong.

Mr. Freddie Ling is a professional surveyor who has over 33 years' experience in valuation of properties in Hong Kong.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 28 February 2019						
<p>The whole of ground floor of No. 88 San Hong Street North New Territories, Hong Kong.</p> <p>1/6th parts or shares of and in Section D of Lot No. 3836 in Demarcation District No.91.</p>	<p>88 San Hong Street is a 4-storey (including a cockloft) tenement building completed in 1967. The building is situated on the southwestern side of San Hong Street in Sheung Shui District. This locality is prime shopping area where mainly accommodates dispensaries and health & beauty retailers.</p> <p>Pursuant to a set of building plans approved by the Building Authority in 1963 ("Approved Building Plans"), the Property comprises a shop unit with a yard on the Ground Floor together with a cockloft of the building.</p> <p>According to our measurement of the Approved Building Plans, the saleable area of the Property is approximately 833 sq ft (77.39 sq m).</p> <p>The areas of the ancillary accommodation of the Property are set out below:</p>	<p>The Property is let under a tenancy agreement for a term commencing from 1 April 2018 and expiring on 31 December 2020 at a monthly rent of \$248,000 exclusive of Government rent, Government rates and management fee.</p>	<p>HK\$120,000,000 (Hong Kong Dollars One Hundred and Twenty Million)</p>						
<p>Area <i>sq. ft. sq. m.</i></p>									
<table border="0"> <tr> <td style="padding-right: 20px;">Yard on G/F</td> <td style="padding-right: 20px;">126</td> <td>11.71</td> </tr> <tr> <td>Cockloft</td> <td>275</td> <td>25.55</td> </tr> </table>		Yard on G/F	126	11.71	Cockloft	275	25.55		
Yard on G/F	126	11.71							
Cockloft	275	25.55							
<p>Lot No. 3836 in Demarcation District No. 91 is held under the New Grant No. 9166 for a term of 99 years from 1 July 1898 and has been statutorily extended until 30 June 2047 at a revised annual Government rent at 3% of the rateable value for the time being of the lot.</p>									

Notes:

- (1) Pursuant to the land register record obtained from the Land Registry, the current registered owner of the Property is Chung Tam Sang by a Deed of Gift dated 10 February 1987 and registered vide memorial no. N225176.
- (2) Pursuant to the land register record obtained from the Land Registry, the Property, *inter alia*, is subject to the following encumbrances:
 - i) Deed of Mutual Covenant dated 16 July 1968, and registered vide memorial no. N162058; and
 - ii) Notice No. WNZ/U05-41/0007/07 by the Building Authority under Section 24C (1) of the Buildings Ordinance dated 11 February 2009, and registered vide memorial no. 09080500980216 regarding a structure at the yard of the Property which has been erected in contravention of the Buildings Ordinance.
- (3) The Property lies within an area zoned “Commercial/Residential” under Fanling/Sheung Shui Outline Zoning Plan No. S/FSS/22 gazetted on 13 January 2017.
- (4) The key parameters of our valuation are set out below:

Capitalization Rate	Market Rent of the Property
Approximately 2.9%	HK\$294,000 per month

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. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company comprised 10,000,000,000 ordinary Shares, which is in turn in HK\$100,000,000, while the issued share capital of the Company comprised 2,518,001,334 ordinary Shares, which is in HK\$25,180,013.

Save as 21,000,000 outstanding share options which can be converted into Shares, as at the Latest Practicable Date, the Company had no outstanding options, warrants, derivatives or convertible securities which may confer any right to the holder thereof to subscribe for, convert or exchange into new Shares.

3. DISCLOSURE OF INTERESTS**(a) Directors' and chief executives' interests in the Company or its associated corporations**

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors (the “**Model Code**”) set out in Appendix 10 to the Listing Rules, were as follows:

Name of Director	Capacity/ Nature of interest	Number of issued Shares held	Percentage of the issued share capital of the Company
Mr. Cheng Chung Man, Johnny	Founder	1,393,347,737 (Note)	
	Beneficial owner	<u>185,219,227</u>	
		<u>1,578,566,964</u>	<u>62.69%</u>
Ms. Lam Yuk Sum	Beneficiary of trust	1,393,347,737 (Note)	
	Beneficial owner	<u>272,916,013</u>	
		<u>1,666,263,750</u>	<u>66.17%</u>

Note: These 1,393,347,737 shares were beneficially owned by Silver Crown as at the Latest Practicable Date. These shares in Silver Crown were in turn held by the trustee of The J Cheng Family Trust, a discretionary trust, the discretionary objects of which include family members of Mr. Cheng Chung Man, Johnny and Ms. Lam Yuk Sum.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, substantial Shareholders and other persons (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follow:

Name of Shareholder	Capacity/ Nature of interest	Number of issued Shares held	Percentage of the issued share capital of the Company
Silver Crown	Beneficial owner	1,393,347,737	55.34%
Well Feel Group Limited ("Well Feel")	Interest of a controlled corporation (Note)	1,393,347,737	55.34%
HSBC International Trustee Limited ("HSBC International")	Trustee (Note)	1,393,347,737	55.34%

Note: The entire issued share capital of Silver Crown was held by Well Feel which in turn was a wholly-owned subsidiary of HSBC International. By virtue of the provisions of Part XV of the SFO, each of Well Feel and HSBC International was deemed to be interested in all the Shares in which Silver Crown was interested.

As at the Latest Practicable Date, save as disclosed above, none of the Directors was a director or an employee of a company who had interests or short positions in the Shares of underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Company was not notified by any persons (other than Directors or chief executive of the Company as discussed above) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

4. COMPETING INTEREST

So far as the Directors are aware, none of the Directors or their respective associates had interest in any business which compete or is likely to compete, either directly or indirectly, with the businesses of the Group as at the Latest Practicable Date.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contract with the Company, or any of its subsidiaries or associated companies which was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN CONTRACTS OR ASSETS

As at the Latest Practicable Date,

- (i) there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group; and
- (ii) none of the Directors had any direct or indirect interest in any assets which had been since 31 March 2018 (being the date to which the latest published audited financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group that would have a material adverse effect on the results of operation or financial condition of the Group.

8. QUALIFICATION AND CONSENTS OF EXPERTS

- (a) The following sets out the qualifications of the experts who have given their opinions or advice or statements as contained in this circular:

NAME	QUALIFICATION
Savills Valuation and Professional Services Limited	Independent qualified valuer
Deloitte Touche Tohmatsu	Certified public accountants

- (b) As at the Latest Practicable Date, each of the above experts had no shareholding in the Company or any other member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any other member of the Group.
- (c) As at the Latest Practicable Date, each of the above experts had no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 March 2018 (the date to which the latest published audited consolidated financial statements of the Group were made up) or proposed to be so acquired, disposed of or leased to any member of the Group.
- (d) As at the Latest Practicable Date, each of the above experts had given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of their reports or letters or their name and logo in the form and context in which they respectively appear.

9. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the PSPA; and
- (b) the Formal Agreement.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:30 a.m. to 6:30 p.m. on any business days from the date of this circular up to and including 14 days (except public holidays) thereafter at the Company's principal place of business in Hong Kong situated at 10th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

- (a) the memorandum and articles of association of the Company;

- (b) the PSPA;
- (c) the Formal Agreement;
- (d) the annual reports of the Company for each of the two years ended 31 March 2018;
- (e) the interim report of the Company for the six months ended 30 September 2018;
- (f) the letter from the Board, the text of which is set out from pages 3 to 8 of this circular;
- (g) the report on the unaudited profit and loss statement on the identifiable net income stream in relation to the Property, the text of which is set out in Appendix II to this circular;
- (h) the report on the unaudited pro forma statement of assets and liabilities of the Group upon completion of the Acquisition, the text of which is set out in Appendix III to this circular;
- (i) the valuation report issued by Savills Valuation and Professional Services Limited, the text of which is set out in Appendix IV to this circular;
- (j) the written consents of the experts referred to in paragraph 8 of this appendix;
- (k) the material contracts referred to in paragraph 9 of this appendix; and
- (l) this circular.

11. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Wong Chi Ying, who is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (c) The head office and principal place of business of the Company in Hong Kong is at 10th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.
- (d) The principal share registrar of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (e) The branch share registrar of the Company in Hong Kong is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (f) The English text of this circular shall prevail over its Chinese text.