

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Chuang's Consortium International Limited**, you should at once hand this circular and the form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

**VERY SUBSTANTIAL DISPOSAL:
PROPOSED DISPOSAL OF THE SALE SHARES AND THE SALE LOANS
AND NOTICE OF SPECIAL GENERAL MEETING**

Financial Adviser

BALLAS
CAPITAL

A letter from the Board is set out on pages 6 to 16 of this circular.

A notice convening the SGM to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 15 February 2022 at 10:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the SGM in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch registrar and transfer office in Hong Kong, Tricor Standard Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the SGM (or any adjournment thereof).

PRECAUTION MEASURES FOR THE SGM

To safeguard the health and safety of attending shareholders and proxies and to reduce the risk of COVID-19 spreading, the following precautionary measures will be taken at the SGM:

- (i) compulsory body temperature check;
- (ii) mandatory wearing of surgical face mask (please bring your own);
- (iii) no refreshments will be served and no corporate gifts will be distributed;
- (iv) no entry will be allowed to any person who is subject to mandatory quarantine order imposed by the HKSAR Government and any person who does not comply with the precautionary measures may be denied entry into the meeting venue; and
- (v) in order to ensure appropriate social distancing, attendees will be assigned seats in different rooms or partitioned areas with telecommunication facilities, if appropriate.

Shareholders are strongly encouraged to appoint the chairman of the SGM as their proxy to vote according to their indicated voting instructions as an alternative to attending the SGM in person.

Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as appropriate.

21 January 2022

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DEFINITIONS

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

“Agreed Property Valuation”	the agreed property value of the Property of HK\$1,651,000,000 under the Sale and Purchase Agreement
“Bank Loan”	the total outstanding amount of the principal of loan and facility owed by Mega Well to a licensed bank in Hong Kong as at the Completion Date and any interest accrued thereon
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which no “black rainstorm warning” or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted in Hong Kong at 9:00 a.m. on that day and on which licensed banks are open in Hong Kong to the general public for business
“Chattels”	the furniture, fixtures, fittings, chattels, goods, inventories, equipments and electrical appliances present in, on or appertaining to the Property at the Completion Date which are for the operation and business of the Hotel
“Colliers”	Colliers International (Hong Kong) Limited, an independent valuer appointed by the Company to carry out a valuation of the Property
“Company”	Chuang’s Consortium International Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 367)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of which Completion is to take place in accordance with the terms and conditions of the Sale and Purchase Agreement

DEFINITIONS

“Completion Net Asset Value”	an amount equal to (a) the combined total assets of the Flying Dragon Group and Sav Hospitality as at Completion (other than the Property, the Chattels, the Excluded Assets, certain receivables to be recovered by the Vendors subsequent to Completion and deferred taxation assets (if any)); minus (b) the combined total liabilities of the Flying Dragon Group and Sav Hospitality as at Completion (other than the Sale Loans, the Bank Loan and deferred taxation liabilities (if any))
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendors for the Sale Shares and the Sale Loans under the Sale and Purchase Agreement
“Directors”	directors of the Company
“Disposal”	the proposed disposal of the Sale Shares and the Sale Loans by the Vendors to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“EHL”	Evergain Holdings Limited, which, as at the Latest Practicable Date, held 907,453,332 Shares, representing approximately 54.26% of the total issued Shares
“Excluded Assets”	collectively, (i) a motor vehicle; (ii) the existing registered intellectual property and the trademarks relating to the operation of the Hotel and brand names of “sáv”, “逸” and any other associated brand names; and (iii) investment in Sav Cebu, which are all beneficially owned by the Target Companies as at the date of the Sale and Purchase Agreement, and will be retained by the Group with transfer to designated wholly-owned subsidiaries of the Company before or after Completion (as the case may be)
“Fanus”	Fanus Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Flying Dragon”	Flying Dragon Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Flying Dragon Group”	Flying Dragon and Mega Well

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“Flying Dragon Loan”	the shareholder’s loan owing by Flying Dragon Group to Fanus as at Completion
“Flying Dragon Share”	the 1 issued ordinary share of and in Flying Dragon to be sold by Fanus to the Purchaser pursuant to the Sale and Purchase Agreement, representing the entire equity interest in Flying Dragon
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel”	the hotel being currently operated at the Property and commonly known as “逸 • 酒店 Hotel sáv”
“Hotel License”	the hotel license in respect of the Hotel
“Latest Practicable Date”	19 January 2022, 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
“Longstop Date”	20 April 2022 (or such later date as may be agreed in writing between the Vendors and the Purchaser)

DEFINITIONS

“Material Adverse Change”	any matter, event or circumstance which resulted in (a) the Target Companies taken as a whole suffering loss in aggregate equal to or greater than HK\$165 million; and/or (b) a decrease in the aggregate net asset value of the Target Companies taken as a whole exceeding HK\$165 million, but excluding (i) any decrease in the value of the assets of any of the Target Companies and/or the Property due to depreciation and/or other revaluation losses; and/or (ii) any material adverse changes in general market condition and/or general economic environment (including COVID-19) in the property and/or hospitality market in Hong Kong; and/or (iii) any material changes in laws which is applicable to any Target Companies and/or the Property and/or the Hotel after the date of the Sale and Purchase Agreement, except that the matters in (ii) and (iii) having the impact on the Target Companies taken as a whole is materially disproportionate to the effect on other similar companies
“Mega Well”	Mega Well Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Flying Dragon as at the Latest Practicable Date
“PRC”	the People’s Republic of China
“Property”	all those pieces or parcels of ground registered in the Land Registry with the messuages, erections and buildings thereon known as Hotel sáv, No. 83 Wuhu Street, Kowloon, Hong Kong
“Purchaser”	VIA IV (BVI) Holdco 7 Ltd, a company incorporated in the British Virgin Islands
“Remaining Group”	the Group immediately after completion of the transactions contemplated under the Sale and Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 20 December 2021 entered into amongst the Vendors and the Purchaser in relation to the Disposal
“Sale Loans”	collectively, the Flying Dragon Loan and the Sav Hospitality Loan, and “Sale Loan” means any of them
“Sale Shares”	collectively, the Flying Dragon Share and the Sav Hospitality Shares

DEFINITIONS

“Sav Cebu”	SAV Hotels and Resort Management Corporation, a company incorporated in Philippines with limited liability, a direct wholly owned subsidiary of Sav Hospitality and dormant as at the Latest Practicable Date
“Sav Hospitality”	Sav Hospitality Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Sav Hospitality Loan”	the shareholder’s loan owing by Sav Hospitality to the Company as at Completion
“Sav Hospitality Shares”	the 1,000,000 issued ordinary shares of and in Sav Hospitality to be sold by the Company to the Purchaser pursuant to the Sale and Purchase Agreement, representing the entire equity interest in Sav Hospitality
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve, among other matters, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Flying Dragon Group and Sav Hospitality
“Vendors”	collectively, the Company and Fanus, and “Vendor” means any of them
“sq. ft.”	square feet
“%”	per cent.

For the purpose of illustration only and unless otherwise stated, the translation of RMB into HK\$ in this circular is based on the approximate exchange rate of RMB1.0 = HK\$1.2. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

LETTER FROM THE BOARD



Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

Executive Directors:

Mr. Albert Chuang Ka Pun J.P.

(Chairman and Managing Director)

Mr. Richard Hung Ting Ho (Vice Chairman)

Mr. Edwin Chuang Ka Fung

(Deputy Managing Director)

Miss Ann Li Mee Sum

Mrs. Candy Kotewall Chuang Ka Wai

Mr. Geoffrey Chuang Ka Kam

Mr. Chan Chun Man

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal office in Hong Kong:

25th Floor

Alexandra House

18 Chater Road

Central

Hong Kong

Independent non-executive Directors:

Mr. Abraham Shek Lai Him G.B.S., J.P.

Mr. Fong Shing Kwong

Mr. Yau Chi Ming

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

Mr. Tony Tse Wai Chuen B.B.S., J.P.

21 January 2022

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL:
PROPOSED DISPOSAL OF THE SALE SHARES AND THE SALE LOANS**

INTRODUCTION

On 20 December 2021 (after trading hours), the Board announced that, the Vendors and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendors have conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and take assignment of, the Sale Shares (representing the Flying Dragon Share and the Sav Hospitality Shares) and the Sale Loans (representing the Flying Dragon Loan and the Sav Hospitality Loan).

LETTER FROM THE BOARD

As the highest applicable percentage ratio (as defined in Rule 14.07 of Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholder's approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, amongst other things, (i) further details of the Sale and Purchase Agreement; (ii) a property valuation report on the Property; (iii) other information as required to be disclosed under the Listing Rules; and (iv) a notice of the SGM at which the necessary resolution(s) will be convened for the Shareholders for the purpose of considering, and, if thought fit, to approve, among other matters, the Disposal.

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follow:

Date

20 December 2021 (after trading hours)

Parties

- (1) The Company and Fanus (as Vendors)
- (2) VIA IV (BVI) Holdco 7 Ltd (as Purchaser)

The Company also guarantees to the Purchaser the performance of Fanus' obligations in accordance with the Sale and Purchase Agreement.

Subject Matter

The Vendors have conditionally agreed to sell the Sale Shares (representing the Flying Dragon Share and the Sav Hospitality Shares) and assign the Sale Loans (representing the Flying Dragon Loan and the Sav Hospitality Loan) to the Purchaser free from encumbrances but together with all rights attached, accrued or accruing thereto as at the Completion Date and together with all dividends and distributions declared, made or paid or agreed to be made or paid thereon or in respect thereof on or after the Completion Date.

Further details of the Target Companies (comprising Flying Dragon Group and Sav Hospitality) are set out in the section headed "Information on the Target Companies, the Property and the Hotel" below.

Consideration

The Consideration for the Sale Shares and the Sale Loans is estimated to be not more than HK\$1,651,000,000 (subject to adjustments), which shall be arrived at based on the aggregate of (i) the Agreed Property Valuation of the Property of HK\$1,651,000,000; and (ii) the Completion Net Asset Value of the Target Companies. Based on the financial information of the Target Companies as at 30 September 2021 and to the best of the Directors' knowledge, information and belief, the estimated maximum amount of the Completion Net Asset Value of

LETTER FROM THE BOARD

the Target Companies will be a negative figure with absolute amount not higher than approximately HK\$10 million. As such, the exact amount of the Consideration can only be determined as at Completion.

The Consideration was arrived at after arm's length negotiations between the Vendors and the Purchaser after taking into account: (i) the Agreed Property Valuation; and (ii) the Completion Net Asset Value of the Target Companies. The Agreed Property Valuation of the Property was HK\$1,651,000,000, which was determined after arm's length negotiations between the Vendors and the Purchaser by reference to, among others, market values of comparable properties. The market valuation of the Property as at 30 November 2021 as appraised by Colliers, an independent valuer appointed by the Company, based on market approach was HK\$1,621,000,000. The Agreed Property Valuation of the Property represented a premium of about 1.9% to the market valuation of the Property as aforesaid. Further details on the valuation of the Property are set out in Appendix IV to this circular.

The Consideration shall be satisfied in cash in Hong Kong by the Purchaser to the Vendors as follows:

- (i) a deposit in the amount of HK\$198,120,000 (the "**Deposit**") has been paid to the Vendors' solicitors upon execution of the Sale and Purchase Agreement, which shall represent part payment of the Consideration upon Completion; and
- (ii) at Completion, the Purchaser shall (a) pay directly to a licensed bank in Hong Kong to repay the Bank Loan in full so as to release and discharge the securities on the Property (the "**Redemption Amount**"); and (b) pay to the Company the balance of the Consideration (after deducting the Deposit and Redemption Amount).

Conditions precedent

Completion is conditional upon the following conditions being satisfied (and/or waived by the Purchaser):

- (a) the Vendors being able to show and give title to the Property in accordance with the applicable laws in Hong Kong pursuant to the provisions of the Sale and Purchase Agreement and there being no order received by any of the Target Companies in respect of the resumption of the Property (or any part(s) thereof) by any government authorities in Hong Kong on the Completion Date;
- (b) the Hotel License and the offensive trade license remaining valid, effective and subsisting on the Completion Date;
- (c) no Material Adverse Change having occurred before or on the Completion Date;
- (d) the fundamental warranties given by the Vendors under the Sale and Purchase Agreement remaining true, accurate and not misleading in all respects before and on the Completion Date; and

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- (e) the transaction contemplated by the Sale and Purchase Agreement having been approved by the Shareholders at the SGM in accordance with the Listing Rules.

The Purchaser may at any time before the Longstop Date waive in writing any of the conditions (a) to (d) set out above. Save as aforesaid, none of the other conditions precedent above is capable of being waived.

If any of the conditions (which has not previously been waived by the Purchaser) has not been fulfilled on or before the Longstop Date, or if all conditions have been satisfied or waived (as the case may be) on or before the Longstop Date but any of them become(s) unsatisfied during the period pending Completion (which is/are not then waived by the Purchaser), the Sale and Purchase Agreement shall be automatically terminated on the Longstop Date or (as the case may be) the relevant date on which any condition(s) become(s) unsatisfied subsequent to the Longstop Date. Under such a circumstance, all rights and obligations of the parties under the Sale and Purchase Agreement shall lapse and be of no further effect, and the Deposit (without interest) will be refunded to the Purchaser.

EHL, the controlling shareholder of the Company, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, EHL owns approximately 54.26% of the total issued Shares.

As at the Latest Practicable Date, none of the conditions set forth above has been fulfilled or waived.

Completion

Completion shall take place in Hong Kong on the later of (a) the 10th Business Day following satisfaction or waiver of all conditions precedent; and (b) 18 February 2022; or on such other date as the Vendors and the Purchaser may agree in writing.

Following Completion, the Company will cease to have any interests in the Target Companies and the financial results and assets and liabilities of the Target Companies (except for the Excluded Assets) will no longer be consolidated into the consolidated financial statements of the Group. Upon Completion, the Property will be delivered on an as-is basis to the Purchaser subject to the then existing tenancies, and the Group will no longer be interested in or operating the Hotel, which will then be operated by the Purchaser. Furthermore, the Purchaser agrees that within one month from the Completion Date, it will procure (i) to change the existing name of Sav Hospitality; and (ii) to change the existing name of the Property, to the effect that any reference of “sáv”, “逸” or any other associated brand names is removed.

INFORMATION ON THE TARGET COMPANIES, THE PROPERTY AND THE HOTEL

Flying Dragon

Flying Dragon is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date. Flying Dragon is principally engaged in investment holding.

LETTER FROM THE BOARD

Mega Well

Mega Well is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Flying Dragon as at the Latest Practicable Date. Mega Well is principally engaged in property investment and is the owner of the Property.

Sav Hospitality

Sav Hospitality is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date. Sav Hospitality is principally engaged in hotel operation and management. It owns the Hotel License and is operating and managing the Hotel.

The Property and The Hotel

The Property is located at the heart of Hunghom with close proximity to three Mass Transit Railway Stations including Whampoa Station, Ho Man Tin Station and Hunghom Station. It is a 24-storey building erected over a site area of approximately 10,204 sq. ft., having a total gross floor area of approximately 122,108 sq. ft.. It comprises shopping units on the ground and first floors and the Hotel known as Hotel sáv comprising 388 rooms on the upper floors.

As regards the shopping units with total gross floor area of approximately 10,045 sq. ft. on the ground and first floors, as at the Latest Practicable Date, they are leased to various independent third parties (except for one unit with gross floor area of approximately 2,198 sq. ft. on the first floor in which the Target Companies are taking legal actions to terminate the tenancy, and another one unit with gross floor area of approximately 4,745 sq. ft. on the first floor which is vacant) at an aggregate monthly rental of approximately HK\$396,000 (inclusive of management fees but exclusive of government rates), with the last tenancy expiring in May 2024.

As regards the Hotel operation, the COVID-19 pandemic has continued to affect the Hong Kong's tourism industry severely by travel ban and quarantine requirements since the past two years. As a result, occupancy of the Hotel has been adversely impacted by a lack of tourists and business travelers. Accordingly, in order to expand its customer base and stabilize its revenue stream, the Target Companies have during such critical time taken steps to promote its Co-Living concept to attract more university students and long term tenants of different purposes, as well as dynamic packages for the local staycation customers and long staying/ monthly room rental segment. The Target Companies also keep on deploying cost reduction measures while maintaining efficiency and service standard so as to mitigate the impact on the Hotel. As such, the performance of the Hotel is gradually recovering from the impact of COVID-19, and the average occupancy rate for the six months ended 30 September 2021 is about 61%.

LETTER FROM THE BOARD

Set out below is a financial summary of the Target Companies for the two years ended 31 March 2021 and the six months ended 30 September 2021 as extracted from the unaudited financial information as set forth in section 2 of Appendix I to this circular:

	For the year ended 31 March		For the six months ended 30 September
	2020	2021	2021
	HK\$'000	HK\$'000	HK\$'000
Revenues	50,695	26,485	19,857
Loss before taxation (<i>note</i>)	(125,945)	(96,235)	(26,249)
Loss after taxation (<i>note</i>)	(125,945)	(101,235)	(26,249)

Note: These amounts included the fair value (loss)/gain on revaluation of the commercial portion of the Property recorded as investment properties with amounts of approximately HK\$(41.3) million, HK\$(19.9) million and HK\$7.0 million for the years ended 31 March 2020 and 2021, and the six months ended 30 September 2021 respectively.

The aggregate net asset value of the Target Companies (not taking into account a bank loan of approximately HK\$859 million, and the shareholders' loans and other amounts due to the Group with the aggregate amount of approximately HK\$52 million) as at 30 September 2021 was approximately HK\$1,262 million. Currently the Property is mortgaged to a licensed bank in Hong Kong for the Bank Loan granted to Mega Well. Pursuant to the terms of the Sale and Purchase Agreement, part of the Consideration will be directly utilized to repay the Bank Loan in full at Completion so as to release and discharge the securities on the Property.

As at 30 September 2021, the Property was stated at about HK\$1,238 million in aggregate in the financial statements of the Target Companies, comprising the "Property, plant and equipment" and "Right-of-use assets" stated at depreciated cost with aggregate amount of approximately HK\$950 million, and the "Investment properties" stated at fair value of approximately HK\$288 million respectively. The market valuation of the Property as appraised by Colliers, an independent valuer appointed by the Company, based on market approach as at 30 November 2021 was HK\$1,621,000,000. The Agreed Property Valuation of the Property represents a premium of about 1.9% to the market valuation of the Property as at 30 November 2021. Further details on the valuation of the Property are set out in Appendix IV to this circular.

Further details of the financial information of the Target Companies are presented in section 2 of Appendix I to this circular.

LETTER FROM THE BOARD

INFORMATION ON THE VENDORS AND THE GROUP

The Vendors are Fanus and the Company.

Fanus, a company incorporated in the British Virgin Islands, is an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date. Fanus is principally engaged in investment holding.

The Company is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 367). The Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of goods and merchandises, securities investment and trading and money lending business.

INFORMATION ON THE PURCHASER

The Purchaser, VIA IV (BVI) Holdco 7 Ltd, is an investment holding company incorporated in the British Virgin Islands.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, as at the date of the Sale and Purchase Agreement:

- (i) the Purchaser is ultimately beneficially owned as to 90% by AEW Value Investors Asia IV, L.P. (a closed-end private equity fund established in Luxembourg) ("**AEW Fund**") and 10% by Crystal Investment Limited (a company incorporated in Bermuda with limited liability) ("**Crystal Investment**");
- (ii) the general partner of AEW Fund is AEW VIA IV GP Partners S.à r.l. ("**AEW GP**"), and there are more than 20 limited partners in the AEW Fund. The limited partners of the AEW Fund comprise primarily pension funds. Apart from 2 international pension funds which each holds 12.16% of partnership interest in the AEW Fund, none of the remaining limited partners holds more than 9% of partnership interest in the AEW Fund. All limited partners are passive financial investors and are not involved in the management and operations of the AEW Fund;
- (iii) AEW GP is ultimately beneficially owned by AEW Capital Management, L.P., a Delaware limited partnership ("**AEW Capital**");
- (iv) the licensed investment manager of AEW Fund is AEW Asia Pte. Ltd., a company incorporated under the laws of Singapore ("**AEW Asia**");
- (v) Crystal Investment is a 10% minority shareholder in the Purchaser and only has limited management rights in the Purchaser;
- (vi) each of the Purchaser, AEW Fund, AEW GP, AEW Capital and AEW Asia, and Crystal Investment and its ultimate beneficial owners is a third party independent of the Company and its connected persons; and
- (vii) each of the Purchaser and its ultimate beneficial owners is principally engaged in investment holding.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser, its directors and legal representatives and any ultimate beneficial owner(s) of the Purchaser; and (b) the Company, any connected person at the Company's level, and/or any connected person of Flying Dragon, Mega Well and Sav Hospitality.

REASONS AND BENEFITS OF THE DISPOSAL

Although the market in Hong Kong has slightly recovered after the implementation of the COVID-19 vaccination program and the electronic consumption vouchers scheme by the HKSAR government, businesses and economies of the world, especially for tourism and hospitality sectors, are still reeling from the prolonged adverse effects of the COVID-19 pandemic. Under this macro back-drop, an adverse effect in both occupancy and average room rates of the Hotel will inevitably be continued in the near future. As disclosed in the previous annual reports of the Company, the Group will explore option for disposal of the Property to accelerate return on this investment, and to better position the Group to seek opportunities to replenish its land bank in Hong Kong, especially for the luxury and mass residential market. Taking into consideration the estimated net gain from the Disposal as set out in the section headed "Financial Effects of the Disposal" below, the Board considers that the Disposal provides a valuable opportunity for the Group to unlock the value of its investment in the Property at a profit with a substantial cash inflow to the Group. Furthermore, the Disposal will also enable the Group to reduce its bank borrowings, improve its liquidity and strengthen its overall financial position so as to facilitate its future development should opportunities arise.

In light of the above, the Directors consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

USE OF PROCEEDS

Based on the estimated Consideration of HK\$1,651,000,000, the net cash proceeds for the Disposal (after the repayment of the Bank Loan in full and the payment of estimated expenses directly attributable to the Disposal) are estimated to be approximately HK\$764 million. The net cash proceeds from the Disposal will replenish the working capital of the Group, improve its liquidity and strengthen the overall financial position for potential investments and business development as and when opportunities arise. Nevertheless, as at the Latest Practicable Date, save for the Sale and Purchase Agreement and the transactions contemplated thereunder and save as disclosed in this circular, the Company has not entered into any agreement, arrangement or undertaking, and has no intention to (i) acquire any new business or assets; and (ii) dispose, terminate and/or downsize of its existing businesses and material operating assets.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE DISPOSAL

Earnings

Based on the estimated Consideration of HK\$1,651,000,000 and the aggregate net asset value of the Target Companies as at 30 September 2021, it is expected that the Group would record an estimated net gain from the Disposal of approximately HK\$361.1 million. Such net gain has taken into account the effect of the Excluded Assets and the estimated expenses in relation to the Disposal (including stamp duty, commission, staff compensation and professional fees) of approximately HK\$27.9 million. However, the actual net gain from the Disposal can only be determined at Completion based on the Completion Net Asset Value of the Target Companies and shall be subject to audit by the Company's auditor.

According to the annual report of the Company for the year ended 31 March 2021, the Group recorded an audited consolidated profit and profit attributable to equity holders of the Company of approximately HK\$199.6 million and HK\$37.5 million respectively for the year ended 31 March 2021. Based on the "Unaudited Pro Forma Financial Information of the Remaining Group" as set out in Appendix III to this circular, (i) after adjusting the effect of the disposal of the properties holding companies which hold a property project in Panyu, the PRC which was completed in May 2021 with the assumptions as stated therein, the unaudited pro forma consolidated profit and profit attributable to equity holders of the Company for the year ended 31 March 2021 would become approximately HK\$1,288.4 million and HK\$697.5 million respectively; and (ii) further assuming Completion had taken place on 1 April 2020, the unaudited pro forma consolidated profit and profit attributable to the equity holders of the Company of the Remaining Group for the year ended 31 March 2021 would become approximately HK\$1,635.4 million and HK\$1,044.5 million respectively.

Assets and liabilities

Following Completion, the Company will cease to have any interests in the Target Companies and the financial results and assets and liabilities of the Target Companies (except for the Excluded Assets) will no longer be consolidated into the consolidated financial statements of the Group.

According to the interim report of the Company for the six months ended 30 September 2021, the unaudited consolidated total assets and total liabilities of the Group as at 30 September 2021 were approximately HK\$21,617.4 million and HK\$7,956.6 million respectively. Based on the "Unaudited Pro Forma Financial Information of the Remaining Group" as set out in Appendix III to this circular, assuming Completion had taken place on 30 September 2021, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group as at 30 September 2021 would become approximately HK\$21,099.4 million and HK\$7,081.8 million respectively.

LETTER FROM THE BOARD

General

Shareholders should note that the financial impact set out above is for illustrative purpose only. The actual financial impact from the Disposal can only be determined at Completion based on the Completion Net Asset Value of the Target Companies and with reference to, among other things, the actual costs and expenses associated with the Disposal, and shall be subject to audit by the Company's auditor.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules 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 Board, having made all reasonable enquiries, none of the Shareholders has a material interest in the Disposal and therefore, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

EHL, the controlling shareholder of the Company, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, EHL owns approximately 54.26% of the total issued Shares. EHL is beneficially owned as to 60% by Mr. Alan Chuang Shaw Swee, the honorary chairman of the Company, and 10% by each of Mr. Albert Chuang Ka Pun, Mrs. Candy Kotewall Chuang Ka Wai, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam, each a Director.

The SGM

Set out on pages SGM-1 to SGM-2 of this circular is a notice convening the SGM to be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong on Tuesday, 15 February 2022 at 10:00 a.m. at which ordinary resolution(s) will be proposed for the purpose of considering, and, if thought fit, to approve, among other matters, the transactions contemplated thereunder the Sale and Purchase Agreement.

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 10 February 2022 to Tuesday, 15 February 2022, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the SGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 9 February 2022.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof.

Pursuant to Rule 13.39(4) of the Listing Rules, the resolution(s) will be voted on by way of poll at the SGM and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Board believes that the Disposal contemplated under the Sale and Purchase Agreement is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution(s) in relation to the Disposal contemplated under the Sale and Purchase Agreement to be proposed at the SGM.

ADDITIONAL INFORMATION

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

By order of the Board of
Chuang's Consortium International Limited
Albert Chuang Ka Pun
Chairman and Managing Director

1. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for each of the three financial years ended 31 March 2019, 2020 and 2021, and the unaudited consolidated interim financial information of the Group for the six months ended 30 September 2021 are disclosed in the following documents which have been published on the website of the Company at www.chuang-consortium.com and the website of the Stock Exchange at www.hkexnews.hk:

Annual report for the year ended 31 March 2019 (pages 128 to 236):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0729/ltn20190729239.pdf>

Annual report for the year ended 31 March 2020 (pages 134 to 233):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0729/2020072900497.pdf>

Annual report for the year ended 31 March 2021 (pages 138 to 238):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0728/2021072800409.pdf>

Interim report for the six months ended 30 September 2021 (pages 45 to 70):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1215/2021121500257.pdf>

2. REVIEW OF HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The Company's reporting accountant PricewaterhouseCoopers was engaged to review the historical financial information of the Group ("**Historical Financial Information**") set out on pages I-3 to I-19 in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountant ("**HKICPA**") and with reference to Practice Note 750, *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by HKICPA. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountant to obtain assurance that the reporting accountant would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountant does not express an audit opinion. The reporting accountant has issued an unmodified review report.

Consolidated Income Statements of the Group

	For the year ended 31 March			(Unaudited) For the six months ended 30 September	
	2019	2020	2021	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenues	619,238	598,987	2,106,779	1,847,298	496,613
Cost of sales	<u>(176,294)</u>	<u>(174,679)</u>	<u>(1,127,572)</u>	<u>(1,057,887)</u>	<u>(186,981)</u>
Gross profit	442,944	424,308	979,207	789,411	309,632
Other income and net gain/(loss)	44,374	(151,687)	316,575	222,393	(567,433)
Fair value gain on transfer of properties from properties for sale to investment properties	6,349	217,976	8,190	—	—
Gain/(loss) on disposals of subsidiaries	461,208	—	(10,280)	(10,280)	1,178,948
Selling and marketing expenses	(56,840)	(37,420)	(115,945)	(99,727)	(24,697)
Administrative and other operating expenses	(476,077)	(445,851)	(388,866)	(194,584)	(189,821)
Change in fair value of investment properties	<u>1,108,170</u>	<u>(458,133)</u>	<u>(442,093)</u>	<u>(436,570)</u>	<u>93,340</u>
Operating profit/(loss)	1,530,128	(450,807)	346,788	270,643	799,969
Finance costs	(184,765)	(263,841)	(147,233)	(81,265)	(60,640)
Share of results of associated companies	2,573	2,020	(2,235)	(1,168)	(863)
Share of results of joint ventures	<u>23,944</u>	<u>10,962</u>	<u>(3,382)</u>	<u>3,563</u>	<u>1,354</u>
Profit/(loss) before taxation	1,371,880	(701,666)	193,938	191,773	739,820
Taxation (charge)/credit	<u>(79,212)</u>	<u>(77,041)</u>	<u>5,673</u>	<u>23,435</u>	<u>(150,051)</u>
Profit/(loss) for the year/period	<u>1,292,668</u>	<u>(778,707)</u>	<u>199,611</u>	<u>215,208</u>	<u>589,769</u>
Attributable to:					
Equity holders	1,226,643	(705,084)	37,452	49,237	287,295
Non-controlling interests	<u>66,025</u>	<u>(73,623)</u>	<u>162,159</u>	<u>165,971</u>	<u>302,474</u>
	<u>1,292,668</u>	<u>(778,707)</u>	<u>199,611</u>	<u>215,208</u>	<u>589,769</u>
	HK cents	HK cents	HK cents	HK cents	HK cents
Earnings/(loss) per share (basic and diluted)	<u>73.34</u>	<u>(42.16)</u>	<u>2.24</u>	<u>2.94</u>	<u>17.18</u>

Consolidated Statements of Comprehensive Income of the Group

	For the year ended 31 March			(Unaudited) For the six months ended 30 September	
	2019	2020	2021	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit/(loss) for the year/period	<u>1,292,668</u>	<u>(778,707)</u>	<u>199,611</u>	<u>215,208</u>	<u>589,769</u>
Other comprehensive income:					
Items that had been/may be reclassified subsequently to profit and loss:					
Net exchange differences	(177,198)	(227,098)	284,987	164,506	53,123
Share of exchange reserve of a joint venture	(10,043)	(15,538)	19,596	9,886	4,063
Realization of exchange reserve upon disposals of subsidiaries	<u>—</u>	<u>—</u>	<u>(22,712)</u>	<u>(22,712)</u>	<u>(27,353)</u>
Total other comprehensive (loss)/income that had been/may be reclassified subsequently to profit and loss	<u>(187,241)</u>	<u>(242,636)</u>	<u>281,871</u>	<u>151,680</u>	<u>29,833</u>
Item that may not be reclassified subsequently to profit and loss:					
Change in fair value of financial assets at fair value through other comprehensive income	<u>(40,244)</u>	<u>(4,178)</u>	<u>24,567</u>	<u>14,969</u>	<u>7,213</u>
Total other comprehensive (loss)/income for the year/period	<u>(227,485)</u>	<u>(246,814)</u>	<u>306,438</u>	<u>166,649</u>	<u>37,046</u>
Total comprehensive income/(loss) for the year/period	<u><u>1,065,183</u></u>	<u><u>(1,025,521)</u></u>	<u><u>506,049</u></u>	<u><u>381,857</u></u>	<u><u>626,815</u></u>
Total comprehensive income/(loss) attributable to:					
Equity holders	1,092,391	(860,991)	228,940	149,992	318,645
Non-controlling interests	<u>(27,208)</u>	<u>(164,530)</u>	<u>277,109</u>	<u>231,865</u>	<u>308,170</u>
	<u><u>1,065,183</u></u>	<u><u>(1,025,521)</u></u>	<u><u>506,049</u></u>	<u><u>381,857</u></u>	<u><u>626,815</u></u>

Consolidated Balance Sheets of the Group

	As at 31 March		(Unaudited) As at 30 September	
	2019	2020	2021	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets				
Property, plant and equipment	488,223	469,226	441,307	419,507
Investment properties	10,281,404	10,308,325	9,080,726	9,140,607
Leasehold lands and land use rights/ right-of-use assets	709,627	701,054	691,440	670,227
Properties for/under development	979,295	1,054,166	508,523	510,362
Cemetery assets	282,534	260,624	285,376	290,328
Associated companies	69,274	60,518	58,183	57,320
Joint ventures	739,328	739,005	785,730	795,178
Financial assets at fair value through other comprehensive income	131,570	128,730	154,190	161,569
Loans and receivables and other deposits	386,735	396,135	419,879	468,884
Deferred taxation assets	29,700	31,254	24,700	24,700
	<u>14,097,690</u>	<u>14,149,037</u>	<u>12,450,054</u>	<u>12,538,682</u>
Current assets				
Properties for sale	2,082,749	2,631,037	1,712,522	1,593,933
Cemetery assets	451,943	419,112	452,153	457,007
Inventories	139,294	103,104	104,397	104,175
Debtors and prepayments	179,340	242,608	288,609	268,186
Financial assets at fair value through profit or loss	2,146,099	2,437,230	3,442,193	2,768,793
Cash and bank balances	<u>3,492,271</u>	<u>2,520,301</u>	<u>2,296,665</u>	<u>3,886,574</u>
	8,491,696	8,353,392	8,296,539	9,078,668
Assets of disposal group classified as held for sale	<u>—</u>	<u>—</u>	<u>770,429</u>	<u>—</u>
	<u>8,491,696</u>	<u>8,353,392</u>	<u>9,066,968</u>	<u>9,078,668</u>

Consolidated Balance Sheets of the Group (continued)

	As at 31 March		(Unaudited) As at 30 September	
	2019	2020	2021	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current liabilities				
Creditors and accruals	372,714	407,575	632,366	481,258
Sales deposits received	343,153	1,552,356	10,984	372
Short-term bank borrowings	607,555	646,777	1,250,948	1,101,104
Current portion of long-term bank borrowings	1,350,290	1,481,741	4,781,697	4,611,780
Taxation payable	219,728	224,315	68,414	79,444
	<u>2,893,440</u>	<u>4,312,764</u>	<u>6,744,409</u>	<u>6,273,958</u>
Liabilities of disposal group classified as held for sale	<u>—</u>	<u>—</u>	<u>69,437</u>	<u>—</u>
	<u>2,893,440</u>	<u>4,312,764</u>	<u>6,813,846</u>	<u>6,273,958</u>
Net current assets	<u>5,598,256</u>	<u>4,040,628</u>	<u>2,253,122</u>	<u>2,804,710</u>
Total assets less current liabilities	<u>19,695,946</u>	<u>18,189,665</u>	<u>14,703,176</u>	<u>15,343,392</u>
Non-current liabilities				
Long-term bank borrowings	5,349,668	4,957,204	1,060,051	1,124,324
Deferred taxation liabilities	494,896	519,168	441,615	433,494
Loans and payables with non-controlling interests	24,879	47,472	47,688	47,572
Other non-current liabilities	36,726	60,034	80,917	77,213
	<u>5,906,169</u>	<u>5,583,878</u>	<u>1,630,271</u>	<u>1,682,603</u>
Net assets	<u>13,789,777</u>	<u>12,605,787</u>	<u>13,072,905</u>	<u>13,660,789</u>
Equity				
Share capital	418,138	418,138	418,138	418,138
Reserves	<u>11,684,014</u>	<u>10,689,219</u>	<u>10,893,071</u>	<u>11,186,628</u>
Shareholders' funds	12,102,152	11,107,357	11,311,209	11,604,766
Non-controlling interests	<u>1,687,625</u>	<u>1,498,430</u>	<u>1,761,696</u>	<u>2,056,023</u>
Total equity	<u>13,789,777</u>	<u>12,605,787</u>	<u>13,072,905</u>	<u>13,660,789</u>

Consolidated Statements of Changes in Equity of the Group

	Attributable to equity holders of the Company				Non-	Total
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	controlling interests HK\$'000	
At 1 April 2018	418,138	1,329,947	9,404,032	11,152,117	1,746,944	12,899,061
Adjustment on the adoption of HKFRS 9	—	(2,743)	2,743	—	—	—
Restated at 1 April 2018	418,138	1,327,204	9,406,775	11,152,117	1,746,944	12,899,061
Profit for the year	—	—	1,226,643	1,226,643	66,025	1,292,668
Other comprehensive income:						
Net exchange differences	—	(104,637)	—	(104,637)	(72,561)	(177,198)
Share of exchange reserve of a joint venture	—	(5,183)	—	(5,183)	(4,860)	(10,043)
Change in fair value of financial assets at fair value through other comprehensive income	—	(24,432)	—	(24,432)	(15,812)	(40,244)
Total comprehensive (loss)/income for the year	—	(134,252)	1,226,643	1,092,391	(27,208)	1,065,183
Transactions with owners:						
2018 final dividend paid	—	—	(83,628)	(83,628)	—	(83,628)
2019 interim dividend paid	—	—	(58,539)	(58,539)	—	(58,539)
Dividends paid to non-controlling interests	—	—	—	—	(32,300)	(32,300)
Increase of interest in a subsidiary	—	—	(189)	(189)	189	—
At 31 March 2019	<u>418,138</u>	<u>1,192,952</u>	<u>10,491,062</u>	<u>12,102,152</u>	<u>1,687,625</u>	<u>13,789,777</u>

Consolidated Statements of Changes in Equity of the Group (continued)

	Attributable to equity holders of the Company				Non-	
	Share capital	Other reserves	Retained profits	Shareholders' funds	controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2019	418,138	1,192,952	10,491,062	12,102,152	1,687,625	13,789,777
Loss for the year	—	—	(705,084)	(705,084)	(73,623)	(778,707)
Other comprehensive income:						
Net exchange differences	—	(145,350)	—	(145,350)	(81,748)	(227,098)
Share of exchange reserve of a joint venture	—	(8,018)	—	(8,018)	(7,520)	(15,538)
Change in fair value of financial assets at fair value through other comprehensive income	—	(2,539)	—	(2,539)	(1,639)	(4,178)
Total comprehensive loss for the year	—	(155,907)	(705,084)	(860,991)	(164,530)	(1,025,521)
Transfer to statutory reserve	—	570	(570)	—	—	—
Transactions with owners:						
2019 final dividend paid	—	—	(108,716)	(108,716)	—	(108,716)
2020 interim dividend paid	—	—	(25,088)	(25,088)	—	(25,088)
Dividends paid to non-controlling interests	—	—	—	—	(18,457)	(18,457)
Acquisition of subsidiaries	—	—	—	—	(6,208)	(6,208)
At 31 March 2020 and 1 April 2020	418,138	1,037,615	9,651,604	11,107,357	1,498,430	12,605,787
Profit for the year	—	—	37,452	37,452	162,159	199,611
Other comprehensive income:						
Net exchange differences	—	180,250	—	180,250	104,737	284,987
Share of exchange reserve of a joint venture	—	10,113	—	10,113	9,483	19,596
Realization of exchange reserve upon disposal of a subsidiary	—	(13,788)	—	(13,788)	(8,924)	(22,712)
Change in fair value of financial assets at fair value through other comprehensive income	—	14,913	—	14,913	9,654	24,567
Total comprehensive income for the year	—	191,488	37,452	228,940	277,109	506,049
Transfer to statutory reserve	—	20,063	(20,063)	—	—	—
Transactions with owners:						
2021 interim dividend paid	—	—	(25,088)	(25,088)	—	(25,088)
Dividends paid to non-controlling interests	—	—	—	—	(13,843)	(13,843)
At 31 March 2021	<u>418,138</u>	<u>1,249,166</u>	<u>9,643,905</u>	<u>11,311,209</u>	<u>1,761,696</u>	<u>13,072,905</u>

Consolidated Statements of Changes in Equity of the Group (continued)

	Attributable to equity holders of the Company				Non-controlling interests	Total
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	HK\$'000	HK\$'000
(Unaudited)						
At 1 April 2020	418,138	1,037,615	9,651,604	11,107,357	1,498,430	12,605,787
Profit for the period	—	—	49,237	49,237	165,971	215,208
Other comprehensive income:						
Net exchange differences	—	100,353	—	100,353	64,153	164,506
Share of exchange reserve of a joint venture	—	5,102	—	5,102	4,784	9,886
Realization of exchange reserve upon disposal of a subsidiary	—	(13,788)	—	(13,788)	(8,924)	(22,712)
Change in fair value of financial assets at fair value through other comprehensive income	—	9,088	—	9,088	5,881	14,969
Total comprehensive income for the period	—	100,755	49,237	149,992	231,865	381,857
At 30 September 2020	<u>418,138</u>	<u>1,138,370</u>	<u>9,700,841</u>	<u>11,257,349</u>	<u>1,730,295</u>	<u>12,987,644</u>
(Unaudited)						
At 1 April 2021	418,138	1,249,166	9,643,905	11,311,209	1,761,696	13,072,905
Profit for the period	—	—	287,295	287,295	302,474	589,769
Other comprehensive income:						
Net exchange differences	—	41,480	—	41,480	11,643	53,123
Share of exchange reserve of a joint venture	—	2,097	—	2,097	1,966	4,063
Realization of exchange reserve upon disposal of subsidiaries	—	(16,606)	—	(16,606)	(10,747)	(27,353)
Change in fair value of financial assets at fair value through other comprehensive income	—	4,379	—	4,379	2,834	7,213
Total comprehensive income for the period	—	31,350	287,295	318,645	308,170	626,815
Realization of other reserves upon disposal of subsidiaries	—	(66,122)	66,122	—	—	—
Transactions with owners:						
2021 final dividend	—	—	(25,088)	(25,088)	—	(25,088)
Dividends to non-controlling interests	—	—	—	—	(13,843)	(13,843)
At 30 September 2021	<u>418,138</u>	<u>1,214,394</u>	<u>9,972,234</u>	<u>11,604,766</u>	<u>2,056,023</u>	<u>13,660,789</u>

Consolidated Cash Flow Statements of the Group

	For the year ended 31 March			(Unaudited) For the six months ended 30 September	
	2019	2020	2021	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities					
Cash (used in)/generated from operations	(211,902)	(264,886)	(622,837)	(290,614)	401,394
Interest paid	(196,982)	(273,944)	(145,690)	(83,295)	(63,019)
Tax paid	(50,860)	(7,819)	(187,572)	(92,659)	(147,615)
Net cash (used in)/from operating activities	(459,744)	(546,649)	(956,099)	(466,568)	190,760
Cash flows from investing activities					
Interest income received	30,961	60,410	18,353	12,101	2,964
Dividend income received from financial assets at fair value through other comprehensive income and an associated company	5,024	3,747	7,569	7,469	7,469
Purchase of property, plant and equipment	(18,518)	(4,433)	(14,985)	(875)	(36)
Additions to investment properties	(89,376)	(122,022)	(17,365)	(16,484)	(224)
Purchase of financial assets at fair value through other comprehensive income	—	(2,111)	—	—	—
Acquisition of subsidiaries, net of cash and bank balances acquired	—	(9,892)	—	—	—
Proceeds from disposal of property, plant and equipment	103	133	215	34	—
Proceeds from disposal of investment properties	—	22,002	29,203	17,463	59,696
Net proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	1,293,640	—	962,164	962,164	1,458,001
Change in loans receivable and amounts due from associated companies, net	741	285	23	23	(7)
Change in investment in and amounts due from joint ventures, net	(18,151)	(7,491)	(28,480)	(10,629)	(3,685)
Decrease/(increase) in bank deposits maturing more than three months from date of placement	1,940	(9)	485	503	(2,790)
Net cash from/(used in) investing activities	1,206,364	(59,381)	957,182	971,769	1,521,388

Consolidated Cash Flow Statements of the Group (continued)

	For the year ended 31 March			(Unaudited) For the six months ended 30 September	
	2019	2020	2021	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from financing activities					
New bank borrowings	2,209,725	1,513,917	867,665	369,979	457,719
Repayment of bank borrowings	(1,270,095)	(1,695,095)	(909,351)	(669,266)	(715,610)
Dividends paid to shareholders	(142,167)	(133,804)	(25,088)	—	—
Dividends paid to non-controlling interests	(32,300)	(18,457)	(13,843)	—	—
Change in loans and payables with non-controlling interests, net	3,779	5,093	—	(15)	(16)
Lease payments	—	(22,210)	(20,397)	(10,210)	(9,784)
Net cash from/(used in) financing activities	<u>768,942</u>	<u>(350,556)</u>	<u>(101,014)</u>	<u>(309,512)</u>	<u>(267,691)</u>
Net increase/(decrease) in cash and cash equivalents	1,515,562	(956,586)	(99,931)	195,689	1,444,457
Cash and cash equivalents at the beginning of the year/period	1,984,130	3,489,988	2,518,009	2,518,009	2,294,858
Exchange difference on cash and cash equivalents	(9,704)	(15,393)	11,430	11,514	8,012
Cash and bank balances included in assets of disposal group classified as held for sale	—	—	(134,650)	—	134,650
Cash and cash equivalents at the end of the year/period	<u>3,489,988</u>	<u>2,518,009</u>	<u>2,294,858</u>	<u>2,725,212</u>	<u>3,881,977</u>

Notes to the Historical Financial Information**A. Basis of preparation**

The Historical Financial Information has been prepared in accordance with paragraph 14.68(2)(a)(i)(B) of the Listing Rules, and solely for the purposes of inclusion in this circular. It does not contain sufficient information to constitute a complete set of financial statements as described in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” or an interim financial report as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA and should be read in connection with the annual reports of the Company for the years ended 31 March 2019, 2020 and 2021 and the interim report of the Company for the six months ended 30 September 2021 (the “**Reporting Period**”).

The Historical Financial Information has been prepared in accordance with the relevant accounting policies adopted by the Group as set out in the respective annual reports of the Company for the years ended 31 March 2019, 2020 and 2021 and the interim report of the Company for the six months ended 30 September 2021. Except for the new accounting standards, amendments to standards and interpretations which have been applied to the Historical Financial Information as and when they became effective, all the relevant accounting policies have been consistently applied to all the periods presented.

- (a) The following new standards of Hong Kong Financial Reporting Standards (“**HKFRS**”) are mandatory for the Company’s financial year beginning on 1 April 2018 and are applicable for the Group:

(i) *HKFRS 9 “Financial Instruments”*

The Group adopted the simplified approach permitted by HKFRS 9, where the cumulative impact of the adoption was recognized in the opening balance of retained profits as at 1 April 2018 and that comparatives had not been restated.

(ii) *HKFRS 15 “Revenue from Contracts with Customers”*

The Group adopted HKFRS 15 using the modified retrospective approach for transition to HKFRS 15 where no retrospective adjustments were required and no impact on retained profits at 1 April 2018 in respect of this change in accounting policy.

- (b) The following new standard of HKFRS is mandatory for the Company’s financial year beginning on 1 April 2019 and is applicable for the Group:

HKFRS 16 “Leases”

The Group adopted HKFRS 16, but has not restated the comparatives for the prior years, as permitted under the specific transitional provisions in the standard. The reclassifications and adjustments arising from the new leasing rules are recognized in the opening consolidated balance sheet on 1 April 2019.

- (c) The Company has adopted the amended standards of HKFRS which are mandatory for the financial years beginning on 1 April 2020 and 1 April 2021 and are applicable for the Group respectively. The adoption of such amended standards does not have material impact on the consolidated financial statements and does not result in substantial changes to the Group's accounting policies.

B. Disposal transaction and event after the Reporting Period

The following event took place subsequent to 30 September 2021:

Disposal of the Target Companies

On 20 December 2021 (after trading hours), the Group entered into the Sale and Purchase Agreement with the Purchaser to dispose of the Target Companies which hold the Property and the Hotel License (its net book value was zero) for a cash consideration estimated to be not more than HK\$1,651,000,000 (subject to adjustments). The Disposal will be effected by the sale of the Sale Shares and assignment of the Sale Loans subject to the terms and conditions of the Sale and Purchase Agreement. Upon completion of the Disposal, the Group will cease to have any interests in the Target Companies, and the financial results and assets and liabilities of the Target Companies will no longer be consolidated into the consolidated financial statements of the Group. As at the Latest Practicable Date, the transaction has yet to be completed.

C. Financial information of the Target Companies

As the Target Companies have been controlled by the Company throughout the years ended 31 March 2019, 2020 and 2021 and six months ended 30 September 2021, the unaudited balance sheets of the Target Companies as set out below as at 31 March 2019, 2020 and 2021 and as at 30 September 2021 included all assets and liabilities that are directly related and clearly identified to the Target Companies' business. The unaudited statements of comprehensive income, the unaudited statements of changes in equity and the unaudited cash flow statements of the Target Companies as set out below for the years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021 (the "**Relevant Periods**") included all revenues, related costs, expenses and charges directly generated or incurred by the Target Companies' business. All the relevant accounting policies have been consistently applied to all the periods presented since its first adoption of the HKFRS.

At 31 March 2019, 2020, 2021 and 30 September 2021, the Target Companies' current liabilities exceeded its current assets by approximately HK\$254,596,000, HK\$336,341,000, HK\$897,027,000 and HK\$913,076,000 respectively.

The Group has confirmed its intention to provide sufficient financial support to the Target Companies so as to enable the Target Companies to meet all their liabilities and obligations as and when they fall due and to enable the Target Companies to continue their businesses for twelve months after the respective years ended 31 March 2019, 2020, 2021 and 30 September 2021 if the Disposal is not completed, and to the completion date if the Disposal is completed.

The Purchaser has also confirmed its intention to provide sufficient financial support to the Target Companies so as to enable the Target Companies to meet all their liabilities and obligations as and when they fall due and to enable the Target Companies to continue their businesses from the completion date of the Disposal up to twelve months after the six months ended 30 September 2021 if the Disposal is completed.

Consequently, the financial information of the Relevant Periods of the Target Companies have been prepared on a going concern basis.

Unaudited Statements of Comprehensive Income of the Target Companies

	For the year ended 31 March			For the six months ended 30 September	
	2019	2020	2021	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenues	109,207	50,695	26,485	8,868	19,857
Cost of sales	<u>(38,080)</u>	<u>(25,325)</u>	<u>(16,077)</u>	<u>(6,720)</u>	<u>(8,707)</u>
Gross profit	71,127	25,370	10,408	2,148	11,150
Other income and net gain	—	1,462	410	400	—
Selling and marketing expenses	(7,960)	(6,045)	(5,026)	(2,501)	(2,510)
Administrative and other operating expenses	(80,000)	(74,130)	(65,367)	(33,863)	(34,530)
Change in fair value of investment properties	<u>5,000</u>	<u>(41,300)</u>	<u>(19,900)</u>	<u>(13,600)</u>	<u>7,000</u>
Operating loss	(11,833)	(94,643)	(79,475)	(47,416)	(18,890)
Finance costs	<u>(18,734)</u>	<u>(31,302)</u>	<u>(16,760)</u>	<u>(9,314)</u>	<u>(7,359)</u>
Loss before taxation	(30,567)	(125,945)	(96,235)	(56,730)	(26,249)
Taxation credit/(charge)	<u>29,700</u>	<u>—</u>	<u>(5,000)</u>	<u>—</u>	<u>—</u>
Loss and total comprehensive loss for the year/period	<u>(867)</u>	<u>(125,945)</u>	<u>(101,235)</u>	<u>(56,730)</u>	<u>(26,249)</u>

Unaudited Balance Sheets of the Target Companies

	2019	As at 31 March 2020	2021	As at 30 September 2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets				
Property, plant and equipment	407,920	381,943	358,995	347,479
Investment properties	342,000	300,700	280,800	287,800
Right-of-use assets	701,474	662,551	623,628	604,166
Deferred taxation assets	29,700	29,700	24,700	24,700
	<u>1,481,094</u>	<u>1,374,894</u>	<u>1,288,123</u>	<u>1,264,145</u>
Current assets				
Inventories	2,277	2,391	2,125	2,102
Debtors and prepayments	8,460	3,859	3,264	3,892
Cash and bank balances	7,508	2,283	8,830	7,327
	<u>18,245</u>	<u>8,533</u>	<u>14,219</u>	<u>13,321</u>
Current liabilities				
Creditors and accruals	12,625	4,927	8,936	15,868
Amounts due to immediate holding companies	236,216	42,147	57,473	51,624
Short-term bank borrowings	—	235,800	236,615	236,905
Current portion of long-term bank borrowings	24,000	62,000	608,222	622,000
	<u>272,841</u>	<u>344,874</u>	<u>911,246</u>	<u>926,397</u>
Net current liabilities	<u>(254,596)</u>	<u>(336,341)</u>	<u>(897,027)</u>	<u>(913,076)</u>
Total assets less current liabilities	<u>1,226,498</u>	<u>1,038,553</u>	<u>391,096</u>	<u>351,069</u>
Non-current liability				
Long-term bank borrowings	622,000	560,000	13,778	—
Net assets	<u>604,498</u>	<u>478,553</u>	<u>377,318</u>	<u>351,069</u>
Equity				
Combined capital	1,000	1,000	1,000	1,000
Reserves	603,498	477,553	376,318	350,069
Total equity	<u>604,498</u>	<u>478,553</u>	<u>377,318</u>	<u>351,069</u>

Unaudited Statements of Changes in Equity of the Target Companies

	Combined capital <i>HK\$'000</i>	Property, plant and equipment revaluation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2018	1,000	41,765	562,600	605,365
Loss and total comprehensive loss for the year	<u>—</u>	<u>—</u>	<u>(867)</u>	<u>(867)</u>
At 31 March 2019 and 1 April 2019	1,000	41,765	561,733	604,498
Loss and total comprehensive loss for the year	<u>—</u>	<u>—</u>	<u>(125,945)</u>	<u>(125,945)</u>
At 31 March 2020 and 1 April 2020	1,000	41,765	435,788	478,553
Loss and total comprehensive loss for the year	<u>—</u>	<u>—</u>	<u>(101,235)</u>	<u>(101,235)</u>
At 31 March 2021	<u><u>1,000</u></u>	<u><u>41,765</u></u>	<u><u>334,553</u></u>	<u><u>377,318</u></u>

Unaudited Statements of Changes in Equity of the Target Companies (continued)

	Combined capital <i>HK\$'000</i>	Property, plant and equipment revaluation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2020	1,000	41,765	435,788	478,553
Loss and total comprehensive loss for the period	—	—	(56,730)	(56,730)
At 30 September 2020	<u>1,000</u>	<u>41,765</u>	<u>379,058</u>	<u>421,823</u>
At 1 April 2021	1,000	41,765	334,553	377,318
Loss and total comprehensive loss for the period	—	—	(26,249)	(26,249)
At 30 September 2021	<u>1,000</u>	<u>41,765</u>	<u>308,304</u>	<u>351,069</u>

Unaudited Cash Flow Statements of the Target Companies

	For the year ended 31 March			For the six months ended 30 September	
	2019	2020	2021	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities					
Operating loss	(11,833)	(94,643)	(79,475)	(47,416)	(18,890)
Change in fair value of investment properties	(5,000)	41,300	19,900	13,600	(7,000)
Depreciation of property, plant and equipment	27,288	26,422	23,239	11,666	11,516
Depreciation of right-of-use assets	<u>38,923</u>	<u>38,923</u>	<u>38,923</u>	<u>19,462</u>	<u>19,462</u>
Operating profit/(loss) before working capital changes	49,378	12,002	2,587	(2,688)	5,088
(Increase)/decrease in inventories	(7)	(114)	266	103	23
(Increase)/decrease in debtors and prepayments	(136)	4,601	595	730	(628)
Increase/(decrease) in creditors and accruals	<u>2,482</u>	<u>(7,698)</u>	<u>4,009</u>	<u>4,029</u>	<u>6,932</u>
Cash generated from operations	51,717	8,791	7,457	2,174	11,415
Interest paid	<u>(18,734)</u>	<u>(31,302)</u>	<u>(16,760)</u>	<u>(9,314)</u>	<u>(7,359)</u>
Net cash from/(used in) operating activities	<u>32,983</u>	<u>(22,511)</u>	<u>(9,303)</u>	<u>(7,140)</u>	<u>4,056</u>
Cash flows from investing activity					
Purchase of property, plant and equipment	<u>(1,604)</u>	<u>(445)</u>	<u>(291)</u>	<u>(158)</u>	<u>—</u>
Net cash used in investing activity	<u>(1,604)</u>	<u>(445)</u>	<u>(291)</u>	<u>(158)</u>	<u>—</u>
Cash flows from financing activities					
New bank borrowings	—	355,800	—	—	—
Repayment of bank borrowings	(24,000)	(144,000)	—	—	—
(Decrease)/increase in amounts due to immediate holding companies	<u>(12,364)</u>	<u>(194,069)</u>	<u>16,141</u>	<u>9,496</u>	<u>(5,559)</u>
Net cash (used in)/from financing activities	<u>(36,364)</u>	<u>17,731</u>	<u>16,141</u>	<u>9,496</u>	<u>(5,559)</u>

Unaudited Cash Flow Statements of the Target Companies (continued)

	For the year ended 31 March			For the six months ended 30 September	
	2019	2020	2021	2020	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Decrease)/increase in cash and cash equivalents	(4,985)	(5,225)	6,547	2,198	(1,503)
Cash and cash equivalents at the beginning of year/period	<u>12,493</u>	<u>7,508</u>	<u>2,283</u>	<u>2,283</u>	<u>8,830</u>
Cash and cash equivalents at the end of year/period	<u><u>7,508</u></u>	<u><u>2,283</u></u>	<u><u>8,830</u></u>	<u><u>4,481</u></u>	<u><u>7,327</u></u>

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 December 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding indebtedness of approximately HK\$6,445.1 million, comprising bank borrowings of approximately HK\$6,331.1 million of which approximately HK\$5,102.2 million was secured by fixed charges on certain assets of the Group (including property, plant and equipment, investment properties, right-of-use assets, properties for/under development, properties for sale and financial assets at fair value through profit or loss) and approximately HK\$1,228.9 million was unsecured, unsecured borrowings from non-controlling shareholders of approximately HK\$57.6 million and unsecured lease liabilities of approximately HK\$56.4 million.

As at 31 December 2021, the Company provided a guarantee of approximately HK\$423.6 million for the banking facilities granted to the joint ventures, and the Group provided guarantee of approximately HK\$8.0 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 December 2021, the Group did not have any other debt securities issued and outstanding or authorized or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities.

4. MATERIAL ADVERSE CHANGE

Save as disclosed in the interim report of the Company for the six months ended 30 September 2021 (the “**Interim Date**”) regarding the performance of the bond investments held by the Group and, that subsequent to the Interim Date, the high yield bond market continues to be volatile which may result in further material provision for unrealized accounting fair value loss for bond investments held by the Group, the Directors confirmed that there were no material adverse changes in the financial or trading position or prospects of the Group since 31 March 2021 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

5. 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 existing borrowings, the currently available facilities, and the effects of the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

6. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

Looking forward, with the prolonged adverse effects of the COVID-19 pandemic (including the recent outbreak of Omicron), the operating environment in Hong Kong, the PRC and worldwide will continue to be challenging. The Remaining Group will monitor the situation closely and will take appropriate steps to mitigate any risks and to grasp opportunities ahead. Meanwhile, the Remaining Group will continue to monitor the progress of the construction and marketing works of the projects at Po Shan Road in the Mid-Levels, Gage Street in Central, Ap Lei Chau in Aberdeen and ONE SOHO in Mongkok, and constantly review the tenant status and tenant mix of the Remaining Group's investment properties with a view to enhance steady recurrent rental income.

As can be seen from the analysis shown in the section headed "Use of Proceeds" and "Financial Effects of the Disposal" in the letter from the Board, the net asset value and the financial position of the Remaining Group would be enhanced following completion of the Disposal contemplated under the Sale and Purchase Agreement, which is beneficial to the long-term development of the Remaining Group. Furthermore, the completion of the Disposal would also facilitate the Remaining Group to seek opportunities to replenish its land bank in Hong Kong, especially for the luxury and mass residential market.

7. VALUATION RECONCILIATION STATEMENT

Colliers, the independent valuer, has valued the Property to be disposed of by the Group as at 30 November 2021. Texts of the letter and valuation particulars issued by Colliers are included in Appendix IV to this circular.

The table below sets forth the reconciliation of the net book value of the Property as at 30 September 2021 as set out in section 2 of Appendix I to this circular to the market value of the Property as at 30 November 2021 as included in the valuation report in Appendix IV to this circular.

	<i>HK\$'000</i>	<i>HK\$'000</i>
Net book value of the Property which comprised the following assets as at 30 September 2021 as set out in section 2 of Appendix I to this circular:		
Property, plant and equipment	347,479	
Less: Other fixed assets which are not the Property	<u>(1,398)</u>	
		346,081
Investment properties		287,800
Right-of-use assets		<u>604,166</u>
		1,238,047
Less: Depreciation of the following assets from 1 October 2021 to 30 November 2021:		
Property, plant and equipment	(3,714)	
Right-of-use assets	<u>(6,487)</u>	
		<u>(10,201)</u>
Net book value of the Property as at 30 November 2021		1,227,846
Valuation surplus		<u>393,154</u>
Market value of the Property as at 30 November 2021 as set out in the valuation report in Appendix IV to this circular		<u><u>1,621,000</u></u>

Following the Disposal contemplated under the Sale and Purchase Agreement, the Remaining Group will continue to carry out its existing businesses. Set out below are the management discussion and analysis of the Remaining Group for each of the three financial years ended 31 March 2019, 2020 and 2021, and the six months ended 30 September 2021. The information set out below has also taken into account the disposals of (i) a property holding company which held an investment property in the United Kingdom with completion on 1 September 2020; and (ii) properties holding companies which held a property project in Panyu, the PRC with completion on 14 May 2021.

SEGMENTAL INFORMATION

The Remaining Group had seven business segments, namely property development, investment and trading, hotel operation and management, development and operation of cemetery, sales of goods and merchandises, securities investment and trading, money lending business and others. A summary of the revenues and profit or loss of each business segment of the Remaining Group for the three years ended 31 March 2019, 2020 and 2021, and the six months ended 30 September 2021 is as follows:

31 March 2019	Property development, investment and trading HK\$'000	Hotel operation and management HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Others and corporate HK\$'000	Total HK\$'000
Revenues	246,679	385	14,383	59,802	136,423	7,774	—	465,446
Profit/(loss) for the year	1,359,179	4,975	60	(5,987)	123,623	5,117	(279,250)	1,207,717

For the year ended 31 March 2019, revenues of the Remaining Group was approximately HK\$465 million, which was mainly derived from rental and other income of investment properties of approximately HK\$220 million, sales of goods and merchandises of approximately HK\$60 million and interest income from bond investments of approximately HK\$133 million. During 2019, the Remaining Group recorded a profit for the year of approximately HK\$1,208 million, mainly attributable to the fair value gain of investment properties and the gain on disposal of subsidiaries recorded for the year.

31 March 2020	Property development, investment and trading HK\$'000	Hotel operation and management HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Others and corporate HK\$'000	Total HK\$'000
Revenues	228,593	—	21,252	83,003	169,524	6,476	—	508,848
(Loss)/profit for the year	(298,307)	3,072	7,785	4,561	(66,371)	6,003	(222,349)	(565,606)

For the year ended 31 March 2020, revenues of the Remaining Group increased by about 9% to approximately HK\$509 million as compared to the previous year. The increase is mainly due to the increase in interest income from bond investments. During 2020, the Remaining Group recorded a loss for the year of approximately HK\$566 million, as compared to the profit recorded for the previous year. This is mainly due to the significant fair value loss of investment properties and the significant increase in unrealized fair value loss of bond investments recorded for the year.

31 March 2021	Property development, investment and trading HK\$'000	Hotel operation and management HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Others and corporate HK\$'000	Total HK\$'000
Revenues	1,822,013	—	25,733	16,164	207,679	3,623	—	2,075,212
Profit/(loss) for the year	44,311	(2,225)	3,494	(1,761)	477,952	2,967	(231,713)	293,025

For the year ended 31 March 2021, revenues of the Remaining Group increased by about 3 times to approximately HK\$2,075 million as compared to the previous year which was mainly due to the increase of sales of development properties in Hong Kong. During 2021, the Remaining Group recorded a profit for the year of approximately HK\$293 million, as compared to the loss recorded for the previous year. This is mainly attributable to the recognition of completed sales and profit of the development properties in Hong Kong, and the recording of fair value gain of bond investments for the year.

30 September 2021	Property development, investment and trading HK\$'000	Hotel operation and management HK\$'000	Cemetery HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Money lending business HK\$'000	Others and corporate HK\$'000	Total HK\$'000
Revenues	344,220	—	20,803	7,125	102,605	776	—	475,529
Profit/(loss) for the period	1,217,497	(712)	6,226	(1,490)	(479,704)	658	(110,270)	632,205

For the six months ended 30 September 2021, revenues of the Remaining Group amounted to approximately HK\$476 million which was mainly derived from the sales of development properties in Hong Kong. For the six months ended 30 September 2021, the Remaining Group recorded a profit for the period of approximately HK\$632 million, which was mainly attributable to the gain on disposal of subsidiaries and the recording of fair value gain of investment properties for the period, and was offset by the unrealized fair value loss of bond investments for the period.

Liquidity, financial resources and capital commitments

The Remaining Group's assets portfolio was mainly financed by its shareholders' funds and bank borrowings.

	As at 31 March			As at
	2019	2020	2021	30 September
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Shareholders' funds of the				
Remaining Group	10,655	10,050	10,175	11,202
Bank borrowings of the				
Remaining Group	6,156	5,766	6,234	5,978
Bank borrowings of the				
Remaining Group				
denominated in:				
Hong Kong dollar	98%	97%	71%	69%
United States dollar	—	1%	27%	29%
Malaysian Ringgit and others	2%	2%	2%	2%

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, the Remaining Group's bank borrowings were repayable:

	As at 31 March			As at
	2019	2020	2021	30 September
Within the first year	23%	20%	78%	76%
Within the second year	13%	59%	7%	4%
Within the third to fifth years	61%	18%	13%	18%
After the fifth year	3%	3%	2%	2%
Effective interest rates of bank				
borrowings per annum	2.68% to	1.75% to	1.12% to	1.09% to
	5.50%	5.50%	3.11%	2.57%

All the bank borrowings of the Remaining Group are at variable interest rates. The Remaining Group currently does not have any interest rate hedging policy in relation to such interest rate risk for the three years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021. The Remaining Group would monitor its exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

	As at 31 March			As at
	2019	2020	2021	30 September
	HK\$ million	HK\$ million	HK\$ million	2021
				HK\$ million
Net current assets of the				
Remaining Group	5,338	4,038	2,581	3,666
Cash and bank balances and				
investments held for trading				
of the Remaining Group	5,515	4,792	5,625	6,536

Cash and bank balances and investments held for trading of the Remaining Group denominated in:

	As at 31 March			As at
	2019	2020	2021	30 September
				2021
Hong Kong dollar, United				
States dollar and other				
currencies	98%	98%	99%	98%
Renminbi	2%	2%	1%	2%

As for the treasury policies, the objectives of the Remaining Group when managing capital are to safeguard the ability of the Remaining Group to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. The Remaining Group generally finances its operations with internally generated resources and borrowings provided by banks. The Remaining Group endeavors to monitor its cash flow position, and to improve the cost-efficiency of funding initiatives by its treasury function.

As at 31 March 2019, 2020 and 2021 and 30 September 2021, capital commitments of the Remaining Group amounted to approximately HK\$985 million, HK\$299 million, HK\$315 million and HK\$295 million, respectively. These capital commitments mainly related to property development expenditures for the Remaining Group's property projects.

For the years ended 31 March 2019, 2020 and 2021 and the six months period ended 30 September 2021, the Company had not repurchased any Shares on the Stock Exchange.

Significant investments, and material acquisitions and disposals of subsidiaries and associated companies

On 9 June 2016, a wholly-owned subsidiary of the Remaining Group entered into a conditional agreement with an independent third party for the disposal of its wholly-owned subsidiary which held an investment property under construction in Hong Kong at that time for a consideration of HK\$2.1 billion (subject to adjustment). The consideration would be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of a PRC property to the Remaining Group. The PRC property was transferred to the Remaining Group in November 2018 and details of the transfer were announced by the Company on 20 November 2018. On 26 November 2018, the Remaining Group entered into a supplemental agreement with the independent third party to amend certain terms of the original agreement. Details of the supplemental agreement were announced by the Company on 26 November 2018. The Remaining Group had completed such disposal on 28 February 2019. Details of the completion was announced by the Company on 28 February 2019.

On 30 April 2020, an indirect non-wholly-owned subsidiary of the Remaining Group entered into a sale and purchase agreement with an independent third party to dispose of a property holding company which held an investment property in the United Kingdom at a consideration of about GBP93.8 million. Details of the transaction were announced by the Company on 3 May 2020, and published in the circular of the Company on 3 June 2020. The disposal was completed on 1 September 2020.

On 9 February 2021, the indirect non-wholly-owned subsidiaries of the Remaining Group entered into sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries that hold the property project in Panyu, the PRC, for an aggregate consideration of approximately RMB1,574.9 million. Details of the transaction were announced by the Company on 11 February 2021 and published in the circular of the Company on 19 March 2021. The disposal was completed on 14 May 2021.

For the year ended 31 March 2019, the Remaining Group held the following portfolio of bonds:

Stock code	Bond issuer	Face value of bonds held as at 31 March 2019 US\$'000	Market value as at 31 March 2019 HK\$'000	Percentage of market value to the Remaining Group's total assets as at 31 March 2019	Interest income for the year ended 31 March 2019 HK\$'000	Fair value gain/(loss) for the year ended 31 March 2019 HK\$'000
846	Mingfa Group (International) Company Limited (15%, due 2020)	40,000	323,812	1.7%	—	10,053
1638	Kaisa Group Holdings Limited			0.3%		
	(a) 8.5%, due 2022	4,400	32,775		2,932	(583)
	(b) 11.75%, due 2021	2,000	16,173		—	466
1813	KWG Group Holdings Limited			0.6%		
	(a) 6%, due 2022	10,000	79,157		4,706	1,127
	(b) 7.875%, due 2023	5,000	40,300		—	15
2007	Country Garden Holdings Company Limited			1.7%		
	(a) 4.75%, due 2023	10,000	75,071		3,724	(1,548)
	(b) 5.625%, due 2026	34,000	269,805		14,985	(4,826)
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd.			2.1%		
	(a) 5.75%, due 2022	51,000	396,198		22,773	6,246
	(b) 8.875%, due 2021	2,000	16,530		697	927
3333	China Evergrande Group			2.6%		
	(a) 7%, due 2020	12,000	93,832		3,296	(1,309)
	(b) 7.5%, due 2023	10,743	81,303		6,316	(3,117)
	(c) 8.25%, due 2022	39,200	302,958		22,744	(10,437)
	(d) 8.75%, due 2025	4,714	35,845		3,233	(2,074)
3380	Logan Group Company Limited			0.5%		
	(a) 6.875%, due 2021	4,000	32,771		1,077	1,503
	(b) 7.5%, due 2022	5,000	40,826		—	1,468
	(c) 8.75%, due 2020	2,000	16,827		—	(127)
3383	Agile Group Holdings Limited			0.5%		
	(a) 5.125%, due 2022	10,000	77,394		4,021	(881)
	(b) 6.7%, due 2022	1,800	14,464		—	327
600606	Greenland Global Investment Limited, a wholly-owned subsidiary of Greenland Holdings Corporation Limited (5.25%, due 2021)	4,300	33,635	0.2%	1,771	22
N/A	Guangxi Financial Investment Group Co., Limited (5.75%, due 2021)	13,000	99,802	0.5%	5,832	(1,670)
	Bonds redeemed/disposed of during the year	—	—	—	35,120	—
		<u>265,157</u>	<u>2,079,478</u>	<u>10.7%</u>	<u>133,227</u>	<u>(4,418)</u>

For the year ended 31 March 2020, the Remaining Group held the following portfolio of bonds:

Stock code	Bond issuer	Face value of bonds held as at 31 March 2020 <i>US\$'000</i>	Market value as at 31 March 2020 <i>HK\$'000</i>	Percentage of market value to the Remaining Group's total assets as at 31 March 2020	Interest income for the year ended 31 March 2020 <i>HK\$'000</i>	Fair value gain/(loss) for the year ended 31 March 2020 <i>HK\$'000</i>
754	Hopson Development Holdings Limited (7.5%, due 2022)	8,000	58,580	0.3%	1,469	667
813	Shimao Group Holdings Limited (6.375%, due 2021)	4,000	32,185	0.2%	—	1,250
846	Mingfa Group (International) Company Limited (a) 15%, due 2021 (b) 15%, due 2020	60,000 —	425,009 —	2.2%	— 37,000	(41,201) —
884	CIFI Holdings (Group) Co. Ltd. (a) 6%, due 2025 (b) 6.875%, due 2021 (c) 7.625%, due 2021	1,500 2,000 1,000	10,513 15,745 7,795	0.2%	— — —	(1,170) 706 411
1233	Times China Holdings Limited (a) 5.75%, due 2022 (b) 6.25%, due 2021 (c) 6.75%, due 2023	3,000 1,000 3,000	22,086 7,707 21,483	0.3%	676 489 791	(1,065) (354) (1,995)
1238	Powerlong Real Estate Holdings Limited (a) 4.875%, due 2021 (b) 5.95%, due 2020 (c) 6.95%, due 2021 (d) 7.125%, due 2022	2,000 2,000 4,000 200	14,068 15,460 30,135 1,450	0.3%	— — — —	(285) 249 60 (110)
1638	Kaisa Group Holdings Ltd. (a) 7.25%, due 2020 (b) 7.875%, due 2021 (c) 8.5%, due 2022 (d) 11.25%, due 2022 (e) 11.75%, due 2021	10,000 2,000 6,400 6,000 4,000	77,609 14,282 42,222 44,017 30,198	1.1%	5,682 1,234 4,262 2,648 3,670	(2,705) (1,237) (5,934) (4,880) (2,216)
1813	KWG Group Holdings Limited (a) 6%, due 2022 (b) 7.4%, due 2024 (c) 7.875%, due 2023	10,000 7,000 5,000	74,315 49,698 36,570	0.8%	4,692 2,427 3,081	(4,842) (4,842) (3,730)
2007	Country Garden Holdings Company Limited (a) 4.75%, due 2023 (b) 5.625%, due 2026	10,000 34,000	74,425 266,979	1.8%	3,714 14,989	(646) (2,826)

Stock code	Bond issuer	Face value of bonds held as at 31 March 2020 US\$'000	Market value as at 31 March 2020 HK\$'000	Percentage of market value to the Remaining Group's total assets as at 31 March 2020	Interest income for the year ended 31 March 2020 HK\$'000	Fair value gain/(loss) for the year ended 31 March 2020 HK\$'000
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd. (a) 5.75%, due 2022 (b) 8.875%, due 2021	51,000 2,000	358,253 14,823	1.9%	22,932 1,388	(37,945) (1,707)
3333	China Evergrande Group (a) 7.5%, due 2023 (b) 8.25%, due 2022 (c) 8.75%, due 2025 (d) 7%, due 2020	10,743 39,200 4,714 —	61,541 247,573 26,748 —	1.8%	6,312 25,292 3,231 6,423	(19,762) (55,385) (9,097) —
3380	Logan Group Company Limited (a) 5.75%, due 2022 (b) 6.875%, due 2021 (c) 7.5%, due 2022 (d) 8.75%, due 2020	5,000 4,000 5,000 2,000	37,739 31,494 38,242 15,781	0.6%	2,251 2,157 2,928 1,372	(1,993) (1,277) (2,584) (1,046)
3383	Agile Group Holdings Limited (a) 5.125%, due 2022 (b) 6.7%, due 2022	10,000 1,800	71,410 13,604	0.4%	4,003 943	(5,984) (860)
600606	Greenland Global Investment Limited, a wholly-owned subsidiary of Greenland Holdings Corporation Limited (a) 5.25%, due 2021 (b) 6.75%, due 2022 (c) 6.75%, due 2023	4,300 2,600 200	31,835 19,452 1,375	0.3%	1,763 688 53	(1,800) (832) (188)
Z25	Yanlord Land Group Limited (6.8%, due 2024)	2,500	17,855	0.1%	661	(1,747)
	Bonds redeemed/disposed of during the year	—	—	—	725	—
		<u>331,157</u>	<u>2,360,256</u>	<u>12.3%</u>	<u>169,946</u>	<u>(218,902)</u>

For the year ended 31 March 2021, the Remaining Group held the following portfolio of bonds:

Stock code	Bond issuer	Face value of bonds held as at 31 March 2021 US\$'000	Market value as at 31 March 2021 HK\$'000	Percentage of market value to the Remaining Group's total assets as at 31 March 2021	Interest income for the year ended 31 March 2021 HK\$'000	Fair value gain/(loss) for the year ended 31 March 2021 HK\$'000
754	Hopson Development Holdings Limited and its wholly-owned subsidiary			0.4%		
	(a) 5.8%, due 2022	2,000	15,749		—	243
	(b) 7.5%, due 2022	8,000	64,640		4,652	6,060
813	Shimao Group Holdings Limited (6.375%, due 2021)	4,000	32,707	0.2%	1,980	521
846	Mingfa Group (International) Company Limited (15%, due 2021) (fully redeemed at maturity)	49,000	393,209	2.0%	—	13,322
884	CIFI Holdings (Group) Co. Ltd.			0.2%		
	(a) 5.5%, due 2023	1,000	8,069		213	48
	(b) 6%, due 2025	1,500	12,514		698	2,001
	(c) 6.875%, due 2021	2,000	16,060		1,066	315
1030	Seazen Group Limited			0.2%		
	(a) 6.15%, due 2023	2,500	20,565		596	152
	(b) 6.45%, due 2022	3,300	26,924		825	540
1233	Times China Holdings Limited			0.4%		
	(a) 5.75%, due 2022	4,000	32,177		1,560	2,048
	(b) 6%, due 2021	2,000	15,964		465	502
	(c) 6.75%, due 2023	3,000	24,545		1,570	3,062
1238	Powerlong Real Estate Holdings Limited			0.4%		
	(a) 4.875%, due 2021	2,000	15,660		756	1,592
	(b) 6.95%, due 2021	4,000	32,138		2,158	2,003
	(c) 6.95%, due 2023	3,400	27,944		1,833	525
	(d) 7.125%, due 2022	200	1,667		110	217
1638	Kaisa Group Holdings Ltd.			0.9%		
	(a) 7.875%, due 2021	2,000	15,886		1,221	1,604
	(b) 8.5%, due 2022	14,400	116,352		4,217	9,362
	(c) 11.25%, due 2022	6,000	50,715		5,233	6,698
1668	China South City Holdings Limited			0.7%		
	(a) 6.75%, due 2021	1,605	12,051		420	(101)
	(b) 10.75%, due 2023	2,700	19,426		—	(2,231)
	(c) 10.875%, due 2022	2,500	18,730		—	(618)
	(d) 11.5%, due 2021	3,000	23,382		—	(87)
	(e) 11.5%, due 2022	9,000	68,603		2,229	(1,779)

APPENDIX II
**MANAGEMENT DISCUSSION AND ANALYSIS
OF THE REMAINING GROUP**

Stock code	Bond issuer	Face value of bonds held as at 31 March 2021 <i>US\$'000</i>	Market value as at 31 March 2021 <i>HK\$'000</i>	Percentage of market value to the Remaining Group's total assets as at 31 March 2021	Interest income for the year ended 31 March 2021 <i>HK\$'000</i>	Fair value gain/(loss) for the year ended 31 March 2021 <i>HK\$'000</i>
1777	Fantasia Holdings Group Co., Limited			0.9%		
	(a) 7.95%, due 2022	1,000	7,668		—	(126)
	(b) 11.75%, due 2022	17,000	141,837		—	(576)
	(c) 12.25%, due 2022	2,000	16,676		—	(251)
1813	KWG Group Holdings Limited			0.9%		
	(a) 6%, due 2022	10,000	79,576		4,651	5,261
	(b) 7.4%, due 2024	7,000	57,386		4,016	7,688
	(c) 7.875%, due 2023	5,000	40,302		3,053	3,731
1966	China SCE Group Holdings Limited			0.4%		
	(a) 5.95%, due 2024	3,500	26,945		—	(111)
	(b) 7.25%, due 2023	6,150	50,656		1,728	663
2007	Country Garden Holdings Company Limited			2.0%		
	(a) 4.75%, due 2023	10,000	79,512		3,683	5,087
	(b) 5.625%, due 2026	34,000	299,080		14,820	32,101
2768	Jiayuan International Group Limited			0.2%		
	(a) 12.5%, due 2023	4,000	31,085		—	714
	(b) 13.75%, due 2023	2,000	16,842		—	296
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd.			2.1%		
	(a) 5.75%, due 2022	51,000	391,757		22,734	33,504
	(b) 8.875%, due 2021	2,000	15,570		1,376	747
3301	Ronshine China Holdings Limited			0.8%		
	(a) 7.35%, due 2023	10,000	75,289		1,994	(3,157)
	(b) 8.1%, due 2023	10,000	77,500		—	(1,441)
3333	China Evergrande Group			2.0%		
	(a) 7.5%, due 2023	10,743	73,645		6,246	12,103
	(b) 8.25%, due 2022	39,200	291,325		25,075	43,752
	(c) 8.75%, due 2025	4,714	30,143		3,198	3,395
3380	Logan Group Company Limited			0.6%		
	(a) 5.75%, due 2022	5,000	39,974		2,229	2,235
	(b) 6.875%, due 2021	4,000	32,094		2,132	600
	(c) 7.5%, due 2022	5,000	40,046		2,907	1,804
3383	Agile Group Holdings Limited			0.5%		
	(a) 5.125%, due 2022	10,000	79,310		3,973	7,901
	(b) 6.7%, due 2022	1,800	14,436		935	833

Stock code	Bond issuer	Face value of bonds held as at 31 March 2021 <i>US\$'000</i>	Market value as at 31 March 2021 <i>HK\$'000</i>	Percentage of market value to the Remaining Group's total assets as at 31 March 2021	Interest income for the year ended 31 March 2021 <i>HK\$'000</i>	Fair value gain/(loss) for the year ended 31 March 2021 <i>HK\$'000</i>
6158	Zhenro Properties Group Limited			0.8%		
	(a) 5.35%, due 2022	2,000	15,660		—	154
	(b) 5.95%, due 2021	2,000	15,886		—	382
	(c) 8.3%, due 2023	4,000	32,073		1,931	1,106
	(d) 8.7%, due 2022	2,000	16,237		1,350	(173)
	(e) 9.15%, due 2023	10,000	84,113		—	(318)
600606	Greenland Global Investment Limited, a wholly-owned subsidiary of Greenland Holdings Corporation Limited			0.2%		
	(a) 6.125%, due 2023	2,950	19,788		700	(2,894)
	(b) 6.75%, due 2022	2,600	19,161		1,360	(292)
	(c) 6.75%, due 2023	200	1,313		105	(63)
Z25	Yanlord Land Group Limited			0.3%		
	(a) 6.75%, due 2023	4,308	35,739		1,127	(369)
	(b) 6.8%, due 2024	2,500	20,544		1,318	2,689
	Bonds redeemed/disposed of during the year	—	—	—	63,037	—
		<u>420,770</u>	<u>3,334,845</u>	<u>17.1%</u>	<u>207,480</u>	<u>202,974</u>

For the six months ended 30 September 2021, the Remaining Group held the following portfolio of bonds:

Stock code	Bond issuer	Face value of bonds held as at 30 September 2021 US\$'000	Market value as at 30 September 2021 HK\$'000	Percentage of market value to the Remaining Group's total assets as at 30 September 2021	Interest income for the period ended 30 September 2021 HK\$'000	Fair value (loss)/gain for the period ended 30 September 2021 HK\$'000
754	Hopson Development Holdings Limited			0.6%		
	(a) 5.8%, due 2022	2,000	15,651		448	(98)
	(b) 7%, due 2024	13,000	98,330		—	(2,443)
813	Shimao Group Holdings Limited (6.375%, due 2021)	4,000	32,082	0.2%	991	(625)
1030	Seazen Group Limited			0.2%		
	(a) 6.15%, due 2023	2,500	19,771		598	(794)
	(b) 6.45%, due 2022	3,300	25,807		826	(1,117)
1233	Times China Holdings Limited			0.7%		
	(a) 5.3%, due 2022	2,000	15,694		—	158
	(b) 5.55%, due 2024	8,000	59,102		—	(3,193)
	(c) 5.75%, due 2022	4,000	31,484		894	(692)
	(d) 6.6%, due 2023	5,000	38,685		724	(1,733)
1238	Powerlong Real Estate Holdings Limited			0.1%		
	(a) 4%, due 2022	3,000	23,234		—	3
	(b) 7.125%, due 2022	200	1,598		55	(69)
1638	Kaisa Group Holdings Ltd.			0.8%		
	(a) 8.5%, due 2022	16,400	113,360		4,143	(18,038)
	(b) 9.75%, due 2023	2,000	12,327		759	(3,543)
	(c) 11.25%, due 2022	6,000	44,570		2,624	(6,145)
1668	China South City Holdings Limited			0.6%		
	(a) 10.75%, due 2023	2,700	13,666		264	(5,005)
	(b) 10.875%, due 2022	2,500	16,601		703	(1,777)
	(c) 11.5%, due 2022	16,000	101,338		6,859	(21,888)
1777	Fantasia Holdings Group Co., Limited			0.6%		
	(a) 7.95%, due 2022	1,000	3,382		163	(4,141)
	(b) 11.75%, due 2022	17,000	92,243		1,502	(43,311)
	(c) 12.25%, due 2022	2,000	6,012		95	(9,809)
	(d) 15%, due 2021	2,000	11,484		1,164	(5,522)
1813	KWG Group Holdings Limited			0.9%		
	(a) 6%, due 2022	10,000	78,315		2,329	(1,261)
	(b) 7.4%, due 2024	5,000	37,878		1,438	(3,151)
	(c) 7.875%, due 2023	5,000	38,149		1,533	(2,152)
1918	Sunac China Holdings Limited (8.35%, due 2023)	9,000	63,578	0.3%	—	(10,637)

Stock code	Bond issuer	Face value of bonds held as at 30 September 2021 <i>US\$'000</i>	Market value as at 30 September 2021 <i>HK\$'000</i>	Percentage of market value to the Remaining Group's total assets as at 30 September 2021	Interest income for the period ended 30 September 2021 <i>HK\$'000</i>	Fair value (loss)/gain for the period ended 30 September 2021 <i>HK\$'000</i>
1966	China SCE Group Holdings Limited			0.4%		
	(a) 5.95%, due 2024	3,500	25,308		806	(1,621)
	(b) 7.25%, due 2023	6,150	48,376		1,734	(2,281)
1996	Redsun Properties Group Limited			0.2%		
	(a) 7.3%, due 2024	5,000	34,017		—	(4,556)
	(b) 9.7%, due 2023	2,000	14,634		753	(2,152)
2007	Country Garden Holdings Company Limited (5.625%, due 2026)	27,000	220,972	1.1%	5,894	(16,532)
2768	Jiayuan International Group Limited			0.9%		
	(a) 11%, due 2024	5,000	35,761		1,069	(1,753)
	(b) 12%, due 2022	12,100	94,304		3,779	(4,543)
	(c) 12.5%, due 2023	4,000	30,187		1,941	(898)
	(d) 13.75%, due 2023	2,000	16,939		523	641
2772	Zhongliang Holdings Group Company Limited (8.5%, due 2022)	10,000	69,354	0.3%	—	(7,654)
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Co., Ltd. (5.75%, due 2022)	51,000	363,727	1.8%	11,382	(28,030)
3301	Ronshine China Holdings Limited			0.6%		
	(a) 7.35%, due 2023	10,000	60,462		2,876	(14,589)
	(b) 8.1%, due 2023	10,000	55,718		1,408	(20,047)
	(c) 8.95%, due 2023	2,000	11,851		695	(4,243)
3333	China Evergrande Group			0.6%		
	(a) 7.5%, due 2023	10,743	22,106		3,127	(51,539)
	(b) 8.25%, due 2022	39,200	93,141		—	(198,183)
	(c) 8.75%, due 2025	4,714	9,615		1,601	(20,529)
3380	Logan Group Company Limited (5.75%, due 2022)	5,000	39,423	0.2%	1,116	(550)

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Stock code	Bond issuer	Face value of bonds held as at 30 September 2021 <i>US\$'000</i>	Market value as at 30 September 2021 <i>HK\$'000</i>	Percentage of market value to the Remaining Group's total assets as at 30 September 2021	Interest income for the period ended 30 September 2021 <i>HK\$'000</i>	Fair value (loss)/gain for the period ended 30 September 2021 <i>HK\$'000</i>
3383	Agile Group Holdings Limited			0.4%		
	(a) 5.125%, due 2022	10,000	77,292		1,993	(2,018)
	(b) 6.7%, due 2022	1,800	13,989		470	(448)
3883	China Aoyuan Group Limited			0.8%		
	(a) 5.375%, due 2022	3,000	21,206		628	(1,804)
	(b) 6.35%, due 2024	16,000	107,287		3,945	(20,128)
	(c) 7.95%, due 2023	6,000	42,986		1,854	(5,010)
6158	Zhenro Properties Group Limited			0.6%		
	(a) 5.35%, due 2022	2,000	15,641		415	(20)
	(b) 5.95%, due 2021	2,000	15,729		462	(157)
	(c) 5.98%, due 2022	3,000	23,495		—	167
	(d) 8.7%, due 2022	2,000	15,994		676	(243)
	(e) 9.15%, due 2023	6,000	47,407		317	(1,342)
600606	Greenland Global Investment Limited, a wholly-owned subsidiary of Greenland Holdings Corporation Limited			0.2%		
	(a) 6.125%, due 2023	2,950	16,578		701	(3,211)
	(b) 6.75%, due 2022	2,600	16,052		681	(3,109)
	(c) 6.75%, due 2023	200	999		53	(314)
	Bonds redeemed/disposed of during the period	—	—	—	23,660	—
		<u>410,557</u>	<u>2,654,891</u>	<u>13.1%</u>	<u>102,671</u>	<u>(563,679)</u>

Brief description of principal business of the respective bond issuers is as follows:

Name of company	Principal business
Hopson Development Holdings Limited	Property development, commercial properties investment, property management, infrastructure and investments businesses
Shimao Group Holdings Limited	Property development, property investment, property management and hotel operation
Mingfa Group (International) Company Limited	Property development, property investment and hotel operation
CIFI Holdings (Group) Co. Ltd.	Sales of properties and other properties related services, property investment, property management and other related services
Seazen Group Limited	Property development, property investment and commercial property management
Times China Holdings Limited	Property development, urban redevelopment business and property leasing
Powerlong Real Estate Holdings Limited	Property development, property investment, provision of commercial operational services and residential property management services and other property development related businesses
Kaisa Group Holdings Ltd.	Property development, property investment, property management, hotel and catering operations and other businesses
China South City Holdings Limited	Property development, property investment and management and other businesses
Fantasia Holdings Group Co., Limited	Property development, property investment, property agency services, property operation services, hotel operation and others
KWG Group Holdings Limited	Property development, property investment and hotel operation

Name of company	Principal business
Sunac China Holdings Limited	Property development and investment, cultural and tourism city construction and operation, property management services and other services
China SCE Group Holdings Limited	Property development, property investment, property management and project management
Redsun Properties Group Limited	Property development, commercial property investment and operations, and hotel operations
Country Garden Holdings Company Limited	Property development, construction and other businesses
Jiayuan International Group Limited	Property development, property investment and provision of property management services
Zhongliang Holdings Group Company Limited	Property development, property leasing and management consulting services
Guangzhou R&F Properties Co., Ltd.	Development and sale of properties, property investment, hotel operations and other property development related services
Ronshine China Holdings Limited	Property development
China Evergrande Group	Property development, property investment, property management and other businesses
Logan Group Company Limited	Property development, property investment, construction and decoration, and urban redevelopment business
Agile Group Holdings Limited	Property development, property management, commercial management and environmental protection
China Aoyuan Group Limited	Property development, property investment and others
Zhenro Properties Group Limited	Property development, property leasing and commercial property management

Name of company	Principal business
Greenland Holdings Corporation Limited	Property development, property investment, construction and hotel operation
Guangxi Financial Investment Group Co., Limited	Provision of micro and small loans, credit guarantees, property insurance, financing leasing and others
Yanlord Land Group Limited	Property development, property investment and hotel operations and property management

The Remaining Group had invested in high yield bonds, which was considered as a tool to generate steady income stream. Nevertheless, in view of the recent unfavourable and high volatility of the high yield bond market, the Remaining Group had gradually slimmed down the portfolio size in high yield bond investment and is looking for other investments for diversification. The Remaining Group would closely monitor the performance of the bond portfolio in light of the monetary environment and with reference to the Remaining Group's financial position.

Save as disclosed herein, during the three years ended 31 March 2021 and the six months ended 30 September 2021, the Remaining Group had not carried out any material acquisition or disposal of subsidiary or associated company or make any significant investments not in the ordinary and usual course of business of the Remaining Group.

Employees and remuneration policies

The Remaining Group had 365, 325, 302 and 305 employees as at 31 March 2019, 2020 and 2021 and 30 September 2021, respectively. The staff cost (including the directors' emoluments) of the Remaining Group for the three years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021 were approximately HK\$131 million, HK\$142 million, HK\$108 million and HK\$56 million, respectively.

The Remaining Group recognized the importance of retaining high caliber and competent staff and continued to provide appropriate remuneration packages to employees with reference to prevailing market conditions and individual performance.

Charges on assets

As at 31 March 2019, 2020 and 2021 and 30 September 2021, the Remaining Group had pledged its assets including property, plant and equipment, investment properties, leasehold lands and land use rights, right-of-use assets, properties for/under development, properties for sale and financial assets at fair value through profit or loss with an aggregate carrying value of approximately HK\$9,039 million, HK\$8,719 million, HK\$8,881 million and HK\$8,855 million, respectively to secure banking facilities granted to subsidiaries of the Remaining Group.

Future plans for material capital assets

During the three years ended 31 March 2021 and the six months ended 30 September 2021, save as disclosed, future plans for material capital assets of the Remaining Group included the development of the property projects and the cemetery project. The Remaining Group financed and intended to finance these future plans from internal resources and bank borrowings of the Remaining Group.

Gearing ratio

The gearing ratio was calculated as a percentage of bank borrowings net of cash, bank balances and bond and securities investments over net assets attributable to equity holders of the Remaining Group. As at 31 March 2019, 2020 and 2021 and 30 September 2021, the gearing ratio of the Remaining Group was 6.0%, 9.7%, 5.7% and N/A (net cash), respectively.

Exposure to fluctuations in exchange rates and related hedges

The Remaining Group conducted its businesses in other places outside Hong Kong, with the income and the major cost items in these places being denominated in their local foreign currencies. Therefore, it is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operations of the Remaining Group. However, as the Remaining Group's consolidated financial statements are presented in Hong Kong dollar, the Remaining Group's financial position is subject to exchange exposure to these foreign currencies. The Remaining Group did not have any related hedges for the three years ended 31 March 2019, 2020 and 2021 and the six months ended 30 September 2021. The Remaining Group would closely monitor this risk exposure from time to time.

Contingent liabilities

As at 31 March 2019, 2020 and 2021 and 30 September 2021, the Remaining Group had provided guarantees amounting to approximately HK\$72 million, HK\$32 million, HK\$15 million and HK\$10 million, respectively in favour of the banks for their provision of mortgage loans to the purchasers of properties sold by the Remaining Group in the PRC, and the Company had provided guarantees of approximately HK\$391 million, HK\$400 million, HK\$420 million and HK\$424 million, respectively for the banking facilities granted to joint ventures.

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

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) presented below is prepared to illustrate (a) the financial position of the Remaining Group as if the disposal contemplated under the Sale and Purchase Agreement (the “**Disposal**”) had been completed on 30 September 2021; and (b) the results and cash flows of the Remaining Group for the year ended 31 March 2021 as if the disposal of properties holding subsidiaries which held the property project in Panyu, the PRC and the Disposal had been completed on 1 April 2020. 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 Remaining Group as at 30 September 2021 or at any future date had the Disposal been completed on 30 September 2021 or the results and cash flows of the Remaining Group for the year ended 31 March 2021 or for any future period had the disposal of properties holding subsidiaries which held the property project in Panyu, the PRC and the Disposal been completed on 1 April 2020.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated balance sheet of the Group as at 30 September 2021 extracted from the unaudited consolidated financial information of the Group for the six months ended 30 September 2021 as set out in the September 2021 interim report of the Company, the audited consolidated statement of comprehensive income and the audited consolidated cash flow statement of the Group for the year ended 31 March 2021 extracted from the audited consolidated financial statements of the Group for the year ended 31 March 2021 as set out in the 2021 annual report of the Company, and the financial information of the properties holding subsidiaries which held the property project in Panyu, the PRC and the Target Companies after giving effect to the pro forma adjustments described in the notes to the Unaudited Pro Forma Financial Information and is prepared in accordance with Rules 4.29 and 14.68(2)(a)(ii) of the Listing Rules.

1. Unaudited Pro Forma Consolidated Balance Sheet of the Remaining Group

	The Group as at 30 September 2021 HK\$'000 Note 1	Pro forma adjustments relating to the Disposal HK\$'000 Note 3 HK\$'000 Note 6		The Remaining Group as at 30 September 2021 HK\$'000
Non-current assets				
Property, plant and equipment	419,507	(347,479)		72,028
Investment properties	9,140,607	(287,800)		8,852,807
Right-of-use assets	670,227	(604,166)		66,061
Properties for/under development	510,362			510,362
Cemetery assets	290,328			290,328
Associated companies	57,320			57,320
Joint ventures	795,178			795,178
Financial assets at fair value through other comprehensive income	161,569			161,569
Loans and receivables and other deposits	468,884			468,884
Deferred taxation assets	24,700	(24,700)		—
	<u>12,538,682</u>	<u>(1,264,145)</u>		<u>11,274,537</u>
Current assets				
Properties for sale	1,593,933			1,593,933
Cemetery assets	457,007			457,007
Inventories	104,175	(2,102)		102,073
Debtors and prepayments	268,186	(3,274)		264,912
Financial assets at fair value through profit or loss	2,768,793			2,768,793
Cash and bank balances	3,886,574	(7,327)	758,908	4,638,155
	<u>9,078,668</u>	<u>(12,703)</u>	<u>758,908</u>	<u>9,824,873</u>

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

	The Group as at 30 September 2021 HK\$'000 Note 1	Pro forma adjustments relating to the Disposal HK\$'000 Note 3 HK\$'000 Note 6		The Remaining Group as at 30 September 2021 HK\$'000
Current liabilities				
Creditors and accruals	481,258	(15,868)		465,390
Sales deposits received	372			372
Short-term bank borrowings	1,101,104		(236,905)	864,199
Current portion of long-term bank borrowings	4,611,780		(622,000)	3,989,780
Taxation payable	79,444			79,444
	<u>6,273,958</u>	<u>(15,868)</u>	<u>(858,905)</u>	<u>5,399,185</u>
Net current assets	<u>2,804,710</u>	<u>3,165</u>	<u>1,617,813</u>	<u>4,425,688</u>
Total assets less current liabilities	<u>15,343,392</u>	<u>(1,260,980)</u>	<u>1,617,813</u>	<u>15,700,225</u>
Non-current liabilities				
Long-term bank borrowings	1,124,324			1,124,324
Deferred taxation liabilities	433,494			433,494
Loans and payables with non-controlling interests	47,572			47,572
Other non-current liabilities	77,213			77,213
	<u>1,682,603</u>			<u>1,682,603</u>
Net assets	<u>13,660,789</u>	<u>(1,260,980)</u>	<u>1,617,813</u>	<u>14,017,622</u>
Equity				
Share capital	418,138			418,138
Reserves	<u>11,186,628</u>	<u>(1,260,980)</u>	<u>1,617,813</u>	<u>11,543,461</u>
Shareholders' funds	11,604,766	(1,260,980)	1,617,813	11,961,599
Non-controlling interests	<u>2,056,023</u>			<u>2,056,023</u>
Total equity	<u>13,660,789</u>	<u>(1,260,980)</u>	<u>1,617,813</u>	<u>14,017,622</u>

2. Unaudited Pro Forma Consolidated Statement of Comprehensive Income of the Remaining Group

	The Group for the year ended 31 March 2021 HK\$'000 Note 2	Pro forma adjustments relating to the Panyu Disposal HK\$'000 Note 4	The Group for the year ended 31 March 2021 after adjusting the Panyu Disposal HK\$'000 Note 5	Pro forma adjustments relating to the Disposal HK\$'000 Note 7	The Remaining Group for the year ended 31 March 2021 HK\$'000
Revenues	2,106,779	(997)	2,105,782	(26,485)	2,079,297
Cost of sales	(1,127,572)	354	(1,127,218)	16,077	(1,111,141)
Gross profit	979,207	(643)	978,564	(10,408)	968,156
Other income and net gain	316,575	(62)	316,513	(410)	316,103
Fair value gain on transfer of properties from properties for sale to investment properties	8,190		8,190		8,190
(Loss)/gain on disposals of subsidiaries	(10,280)	1,204,693	1,194,413	245,795	1,440,208
Selling and marketing expenses	(115,945)		(115,945)	5,026	(110,919)
Administrative and other operating expenses	(388,866)	4,942	(383,924)	65,367	(318,557)
Change in fair value of investment properties	(442,093)	15,151	(426,942)	19,900	(407,042)
Operating profit	346,788	1,224,081	1,570,869	79,475	1,896,139
Finance costs	(147,233)		(147,233)	16,760	(130,473)
Share of results of associated companies	(2,235)		(2,235)		(2,235)
Share of results of joint ventures	(3,382)		(3,382)		(3,382)
Profit before taxation	193,938	1,224,081	1,418,019	96,235	1,760,049
Taxation credit/(charge)	5,673	(135,316)	(129,643)	5,000	(124,643)
Profit for the year	199,611	1,088,765	1,288,376	101,235	1,635,406
Attributable to:					
Equity holders	37,452	660,007	697,459	101,235	1,044,489
Non-controlling interests	162,159	428,758	590,917	—	590,917
	199,611	1,088,765	1,288,376	101,235	1,635,406

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**UNAUDITED PRO FORMA FINANCIAL
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	The Group for the year ended 31 March 2021 <i>HK\$'000</i> <i>Note 2</i>	Pro forma adjustments relating to the Panyu Disposal <i>HK\$'000</i> <i>Note 4</i>	The Group for the year ended 31 March 2021 after adjusting the Panyu Disposal <i>HK\$'000</i>	Pro forma adjustments relating to the Disposal <i>HK\$'000</i> <i>Note 5</i>	adjustments Disposal <i>HK\$'000</i> <i>Note 7</i>	The Remaining Group for the year ended 31 March 2021 <i>HK\$'000</i>
Profit for the year	199,611	1,088,765	1,288,376	101,235	245,795	1,635,406
Other comprehensive income:						
Items that had been/may be reclassified subsequently to profit and loss:						
Net exchange differences	284,987	17,600	302,587			302,587
Share of exchange reserve of a joint venture	19,596		19,596			19,596
Realization of exchange reserve upon disposals of subsidiaries	(22,712)	(33,970)	(56,682)			(56,682)
Total other comprehensive income/(loss) that had been/may be reclassified subsequently to profit and loss	281,871	(16,370)	265,501			265,501
Item that may not be reclassified subsequently to profit and loss:						
Change in fair value of financial assets at fair value through other comprehensive income	24,567		24,567			24,567
Total other comprehensive income/(loss) for the year	306,438	(16,370)	290,068			290,068
Total comprehensive income for the year	506,049	1,072,395	1,578,444	101,235	245,795	1,925,474
Total comprehensive income attributable to:						
Equity holders	228,940	650,069	879,009	101,235	245,795	1,226,039
Non-controlling interests	277,109	422,326	699,435	—	—	699,435
	506,049	1,072,395	1,578,444	101,235	245,795	1,925,474

3. Unaudited Pro Forma Consolidated Cash Flow Statement of the Remaining Group

	The Group for the year ended 31 March 2021 HK\$'000 Note 2	Pro forma adjustments relating to the Panyu Disposal HK\$'000 Note 4	The Group for the year ended 31 March 2021 after adjusting the Panyu Disposal HK\$'000	Pro forma adjustments relating to the Disposal HK\$'000 Note 5	The Remaining Group for the year ended 31 March 2021 HK\$'000 Note 8
Cash flows from operating activities					
Operating profit	346,788	19,388	366,176	79,475	445,651
Interest income from bank deposits	(15,565)		(15,565)		(15,565)
Dividend income from financial assets at fair value through other comprehensive income	(7,469)		(7,469)		(7,469)
Loss on disposal of a subsidiary	10,280		10,280		10,280
Net loss on disposal of investment properties	1,315		1,315		1,315
Net loss on disposal of property, plant and equipment	728		728		728
Fair value gain on transfer of properties from properties for sale to investment properties	(8,190)		(8,190)		(8,190)
Change in fair value of investment properties	442,093	(15,151)	426,942	(19,900)	407,042
Reversal of provision for impairment of inventories	(2,300)		(2,300)		(2,300)
Depreciation of property, plant and equipment	44,107		44,107	(23,239)	20,868
Depreciation of right-of-use assets	58,066		58,066	(38,923)	19,143
Provision for impairment of trade debtors	3,197		3,197		3,197
Operating profit before working capital changes	873,050	4,237	877,287	(2,587)	874,700

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

	The Group for the year ended 31 March 2021 <i>HK\$'000</i> <i>Note 2</i>	Pro forma adjustments relating to the Panyu Disposal <i>HK\$'000</i> <i>Note 4</i>	The Group for the year ended 31 March 2021 after adjusting the Panyu Disposal <i>HK\$'000</i>	Pro forma adjustments relating to the Disposal <i>HK\$'000</i> <i>Note 5</i>	Pro forma adjustments relating to the Disposal <i>HK\$'000</i> <i>Note 8</i>	The Remaining Group for the year ended 31 March 2021 <i>HK\$'000</i>
Operating profit before working capital changes	873,050	4,237	877,287	(2,587)		874,700
Increase in loans and receivables and other deposits	(19,036)		(19,036)			(19,036)
Decrease in properties for/under development and properties for sale	898,037	47,654	945,691			945,691
Decrease in cemetery assets	2,018		2,018			2,018
Decrease in inventories	1,215		1,215	(266)		949
Increase in debtors and prepayments	(51,677)	(1,182)	(52,589)	(324)		(53,183)
Increase in financial assets at fair value through profit or loss	(999,842)		(999,842)			(999,842)
Increase in creditors and accruals	215,372	(115,240)	100,132	(4,009)		96,123
Decrease in sales deposits received	(1,541,974)		(1,541,974)			(1,541,974)
Cash used in operations	(622,837)	(64,531)	(687,368)	(7,186)		(694,554)
Interest paid	(145,690)		(145,690)	16,760		(128,930)
Tax paid	(187,572)		(187,572)			(187,572)
Net cash used in operating activities	(956,099)	(64,531)	(1,020,630)	9,574		(1,011,056)

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

	The Group for the year ended 31 March 2021 <i>HK\$'000</i> <i>Note 2</i>	Pro forma adjustments relating to the Panyu Disposal <i>HK\$'000</i> <i>Note 4</i>	The Group for the year ended 31 March 2021 after adjusting the Panyu Disposal <i>HK\$'000</i>	Pro forma adjustments relating to the Disposal <i>HK\$'000</i> <i>Note 5</i>	adjustments <i>HK\$'000</i> <i>Note 8</i>	The Remaining Group for the year ended 31 March 2021 <i>HK\$'000</i>
Cash flows from investing activities						
Interest income received	18,353		18,353			18,353
Dividend income received from financial assets at fair value through other comprehensive income and an associated company	7,569		7,569			7,569
Purchase of property, plant and equipment	(14,985)		(14,985)	291		(14,694)
Additions to investment properties	(17,365)		(17,365)			(17,365)
Proceeds from disposal of property, plant and equipment	215		215			215
Proceeds from disposal of investment properties	29,203		29,203			29,203
Net proceeds from disposals of subsidiaries, net of cash and bank balances disposed of	962,164	1,233,521	2,195,685	(2,283)	1,623,553	3,816,955
Change in loans receivable and amounts due from associated companies, net	23		23			23
Increase in investment in and amounts due from joint ventures, net	(28,480)		(28,480)			(28,480)
Decrease in bank deposits maturing more than three months from date of placement	485		485			485
Net cash from investing activities	957,182	1,233,521	2,190,703	(1,992)	1,623,553	3,812,264

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**UNAUDITED PRO FORMA FINANCIAL
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	The Group for the year ended 31 March 2021 <i>HK\$'000</i> <i>Note 2</i>	Pro forma adjustments relating to the Panyu Disposal <i>HK\$'000</i> <i>Note 4</i>	The Group for the year ended 31 March 2021 after adjusting the Panyu Disposal <i>HK\$'000</i>	Pro forma adjustments relating to the Disposal <i>HK\$'000</i> <i>Note 5</i>	Pro forma adjustments relating to the Disposal <i>HK\$'000</i> <i>Note 8</i>	The Remaining Group for the year ended 31 March 2021 <i>HK\$'000</i>
Cash flows from financing activities						
New bank borrowings	867,665		867,665			867,665
Repayment of bank borrowings	(909,351)		(909,351)		(857,800)	(1,767,151)
Dividends paid to shareholders	(25,088)		(25,088)			(25,088)
Dividends paid to non-controlling interests	(13,843)		(13,843)			(13,843)
Lease payments	(20,397)		(20,397)			(20,397)
Net cash used in financing activities	(101,014)		(101,014)		(857,800)	(958,814)
Net (decrease)/increase in cash and cash equivalents	(99,931)	1,168,990	1,069,059	7,582	765,753	1,842,394
Cash and cash equivalents at the beginning of the year	2,518,009		2,518,009			2,518,009
Exchange difference on cash and cash equivalents	11,430		11,430			11,430
Cash and bank balances included in assets of disposal group classified as held for sale	(134,650)	134,650	—			—
Cash and cash equivalents at the end of the year	<u>2,294,858</u>	<u>1,303,640</u>	<u>3,598,498</u>	<u>7,582</u>	<u>765,753</u>	<u>4,371,833</u>

Notes:

1. The amounts are extracted from the unaudited condensed consolidated balance sheet of the Group as at 30 September 2021 as set out in the interim report of the Company for the six months ended 30 September 2021, which is referred to in section 1 of Appendix I to this circular.
2. The amounts are extracted from the audited consolidated income statement, the audited consolidated statement of comprehensive income and the audited consolidated cash flow statement of the Group for the year ended 31 March 2021 as set out in the annual report of the Company for the year ended 31 March 2021, which is referred to in section 1 of Appendix I to this circular.
3. These adjustments represent the exclusion of assets and liabilities of the Target Companies to be disposed of as at 30 September 2021 assuming the Disposal was completed on 30 September 2021. The amounts have been extracted from the unaudited financial information of the Target Companies as at 30 September 2021 as set forth in section 2 of Appendix I to this circular (except for the amounts due to immediate holding companies which have been eliminated in the unaudited condensed consolidated balance sheet of the Group as at 30 September 2021 and will be assigned to the Purchaser at Completion), excluding the assets and liabilities of the Target Companies which are retained by the Remaining Group.

A reconciliation is shown below:

	Target Companies in Appendix I HK\$'000	Assets and liabilities retained HK\$'000 (note a)	Assets and liabilities to be disposed of HK\$'000 (note b)
Non-current assets			
Property, plant and equipment	347,479		347,479
Investment properties	287,800		287,800
Right-of-use assets	604,166		604,166
Deferred taxation assets	24,700		24,700
	<u>1,264,145</u>		<u>1,264,145</u>
Current assets			
Inventories	2,102		2,102
Debtors and prepayments	3,892	(618)	3,274*
Cash and bank balances	7,327		7,327*
	<u>13,321</u>	<u>(618)</u>	<u>12,703</u>
Current liabilities			
Creditors and accruals	15,868		15,868*
Short-term bank borrowings	236,905	(236,905) [#]	—
Current portion of long-term bank borrowings	622,000	(622,000) [#]	—
	<u>874,773</u>	<u>(858,905)</u>	<u>15,868</u>
Net assets	<u>402,693</u>	<u>858,287</u>	<u>1,260,980</u>

Sum of * = Net liabilities of HK\$5,267,000 = Completion Net Asset Value as at 30 September 2021

Sum of [#] = Total bank borrowings of HK\$858,905,000 as at 30 September 2021

Notes:

- (a) These assets and liabilities included (i) the Excluded Assets which are retained by the Remaining Group (their net book values were zero); (ii) certain receivables (in gross position) not sold but to be recovered by the Remaining Group subsequent to Completion; and (iii) the bank borrowings which will be repaid in full directly using part of the Consideration at Completion. Estimated tax expenses and related professional fees in aggregate of approximately HK\$800,000 arising from the transfer of the Excluded Assets to be borne by the Remaining Group have been included in the “Estimated expenses directly attributable to the Disposal” in Notes 6, 7 and 8 below.
 - (b) For “Property, plant and equipment”, “Investment properties”, “Right-of-use assets” and “Inventories”, they mainly represent the Property and the Chattels appertaining to the Property of the Target Companies to be disposed of. For “Deferred taxation assets”, the amount represents the deferred tax assets arising from part of the unutilized tax losses of the Target Companies.
4. On 9 February 2021, the Group entered into the conditional sale and purchase agreements with independent third parties for the disposal of the properties holding subsidiaries (the “**Panyu Subsidiaries**”) that hold the property project in Panyu, the PRC, for an aggregate consideration of about RMB1.57 billion (equivalent to approximately HK\$1.9 billion) (the “**Panyu Disposal**”). The Panyu Disposal was announced by the Company on 11 February 2021 and published in the circular on 19 March 2021. The Panyu Disposal was completed on 14 May 2021 and the effect has been reflected in the unaudited condensed consolidated balance sheet of the Group as at 30 September 2021 as set out in the interim report of the Company for the six months ended 30 September 2021. Thus there is no pro forma adjustment about the Panyu Disposal on the unaudited pro forma consolidated balance sheet. The effect of the Panyu Disposal to the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated cash flow statement is shown herein.

These adjustments represent the exclusion of the results and cash flows of the Panyu Subsidiaries to be disposed of for the year ended 31 March 2021 assuming the Panyu Disposal was completed on 1 April 2020. The amounts have been extracted from the unaudited financial information of the Panyu Subsidiaries for the year ended 31 March 2021 (except for the change in amount due to immediate holding company in the cash flow statement which has been eliminated in the audited consolidated cash flow statement of the Group), excluding the results and cash flows arising from the assets and liabilities of the Panyu Subsidiaries which are retained by the Group.

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

These adjustments also included the estimated gain on the Panyu Disposal assuming it had taken place on 1 April 2020 with details below.

	<i>HK\$'000</i>	<i>HK\$'000</i>
Consideration of the Panyu Disposal		1,889,569
Less: Adjustment of net asset value included in consideration as at 31 March 2020/1 April 2020	(256,745)	
Amount of construction costs of the Panyu Disposal project incurred subsequent to 1 April 2020 included in consideration	<u>(38,792)</u>	
		(295,537)
Less: Transaction costs and related expenses of the Panyu Disposal		<u>(37,913)</u>
Net proceeds of the Panyu Disposal		1,556,119
Less: Net value of assets and liabilities of the Panyu Subsidiaries to be disposed of as at 31 March 2020/1 April 2020		(385,396)
Add: Realization of exchange reserve upon the Panyu Disposal as at 31 March 2020/1 April 2020		<u>33,970</u>
Estimated gain on the Panyu Disposal before taxation		1,204,693
Less: Estimated tax expenses of the Panyu Disposal		<u>(131,528)</u>
Estimated gain on the Panyu Disposal after taxation		<u>1,073,165</u>
Other comprehensive income:		
Item that had been reclassified subsequently to profit and loss:		
Realization of exchange reserve of subsidiaries upon the Panyu Disposal		<u>(33,970)</u>
Other comprehensive loss for the year		<u>(33,970)</u>
Total comprehensive income for the year		<u><u>1,039,195</u></u>
These adjustments also included the estimated cash flow from the Panyu Disposal assuming it had taken place on 1 April 2020 with details below.		
		<i>HK\$'000</i>
Net proceeds of the Panyu Disposal as above		1,556,119
Less: Estimated tax expenses of the Panyu Disposal		<u>(131,528)</u>
Estimated cash inflow from the Panyu Disposal		1,424,591
Less: Deferred consideration and deferred tax amount to be received after completion of the Panyu Disposal		<u>(149,842)</u>
		1,274,749
Less: Cash and bank balances disposed of		<u>(41,228)</u>
Net cash inflow from the Panyu Disposal		<u><u>1,233,521</u></u>

The actual amounts of the consideration, tax expenses, gain and the cash flow from the Panyu Disposal have been determined at completion of the Panyu Disposal and after the tax clearance from the respective tax authorities for tax expenses, which were not substantially different from the estimated amounts used in the preparation of the Unaudited Pro Forma Financial Information.

5. These adjustments represent the exclusion of the results and cash flows of the Target Companies to be disposed of for the year ended 31 March 2021 assuming the Disposal was completed on 1 April 2020. The amounts have been extracted from the unaudited financial information of the Target Companies for the year ended 31 March 2021 as set forth in section 2 of Appendix I to this circular (except for the change in amounts due to immediate holding companies in the cash flow statement which has been eliminated in the audited consolidated cash flow statement of the Group), excluding the cash flows arising from the assets and liabilities of the Target Companies which are retained by the Remaining Group.

A reconciliation of the cash flows is shown below:

	Target Companies in Appendix I HK\$'000	Cash flows arising from assets and liabilities retained HK\$'000	Cash flows to be disposed of HK\$'000
Cash flows from operating activities			
Operating loss	(79,475)		(79,475)
Change in fair value of investment properties	19,900		19,900
Depreciation of property, plant and equipment	23,239		23,239
Depreciation of right-of-use assets	<u>38,923</u>		<u>38,923</u>
Operating profit before working capital changes	2,587		2,587
Decrease in inventories	266		266
Decrease in debtors and prepayments	595	(271)*	324
Increase in creditors and accruals	<u>4,009</u>		<u>4,009</u>
Cash generated from operations	7,457	(271)	7,186
Interest paid	<u>(16,760)</u>		<u>(16,760)</u>
Net cash used in operating activities	<u>(9,303)</u>	<u>(271)</u>	<u>(9,574)</u>
Cash flows from investing activity			
Purchase of property, plant and equipment	<u>(291)</u>		<u>(291)</u>
Net cash used in investing activity	<u>(291)</u>		<u>(291)</u>
Net decrease in cash and cash equivalents	(9,594)	(271)	(9,865)
Cash and cash equivalents at the beginning of the year	<u>2,283</u>		<u>2,283</u>
Cash and cash equivalents at the end of the year	<u><u>(7,311)</u></u>	<u><u>(271)</u></u>	<u><u>(7,582)</u></u>

* This represented the change in cash flow for certain receivables (in gross position) not sold but to be recovered by the Remaining Group subsequent to Completion.

6. These adjustments represent the total estimated amount of the Consideration which is satisfied in cash in Hong Kong at Completion in the amount as shown below, as if the Disposal had been completed on 30 September 2021.

	<i>HK\$'000</i>
Consideration	1,651,000
Adjustments for Completion Net Asset Value:	
Inclusion of the Completion Net Asset Value as at 30 September 2021 (as set out in sum of * in Note 3 above)	<u>(5,267)</u>
Adjusted consideration [^] (note)	1,645,733
Less: Estimated expenses directly attributable to the Disposal	<u>(27,920)</u>
Estimated cash inflow from the Disposal	1,617,813
Less: Repayment of bank borrowings (as set out in sum of # in Note 3 above)	<u>(858,905)</u>
	758,908
Less: Cash and bank balances disposed of as mentioned in Note 3 above	<u>(7,327)</u>
Net cash proceeds from the Disposal	<u><u>751,581</u></u>

[^] The assets and liabilities to be disposed of excluded the amounts due to immediate holding companies by the Target Companies of HK\$51,624,000, which will be assigned to the Purchaser at Completion from the net value of assets and liabilities of the Target Companies.

Note: Adjusted consideration represents the amount to be received if the Disposal had been completed on 30 September 2021, which had taken into account Completion Net Asset Value as at 30 September 2021.

The actual amounts of the adjusted consideration, bank borrowings and the estimated gain on the Disposal recorded in “Reserves” can only be determined at Completion, which may be substantially different from the estimated amounts used in preparation of the Unaudited Pro Forma Financial Information.

7. These adjustments represent the estimated gain on the Disposal assuming the Disposal had taken place on 1 April 2020:

	<i>HK\$'000</i>
Consideration	1,651,000
Adjustments for Completion Net Asset Value:	
Inclusion of the Completion Net Asset Value as at 31 March 2020/1 April 2020 (as set out in sum of * in note a below)	<u>473</u>
Adjusted consideration [^] (note b)	1,651,473
Less: Estimated expenses directly attributable to the Disposal	<u>(27,920)</u>
	1,623,553
Less: Net value of assets and liabilities of the Target Companies (excluding amounts due to immediate holding companies) [^] to be disposed of as at 31 March 2020/1 April 2020 (as set out in note a below)	<u>(1,377,758)</u>
Estimated gain on the Disposal before and after taxation and total comprehensive income for the year	<u><u>245,795</u></u>

[^] The assets and liabilities to be disposed of excluded the amounts due to immediate holding companies by the Target Companies, which will be assigned to the Purchaser at Completion from the net value of assets and liabilities of the Target Companies.

Notes:

- (a) A reconciliation as at 31 March 2020/1 April 2020 is shown below:

	Target Companies in Appendix I HK\$'000	Assets and liabilities retained HK\$'000	Assets and liabilities to be disposed of HK\$'000
Non-current assets			
Property, plant and equipment	381,943		381,943
Investment properties	300,700		300,700
Right-of-use assets	662,551		662,551
Deferred taxation assets	29,700		29,700
	<u>1,374,894</u>		<u>1,374,894</u>
Current assets			
Inventories	2,391		2,391
Debtors and prepayments	3,859	(742)	3,117*
Cash and bank balances	2,283		2,283*
	<u>8,533</u>	<u>(742)</u>	<u>7,791</u>
Current liabilities			
Creditors and accruals	4,927		4,927*
Short-term bank borrowings	235,800	(235,800) [#]	—
Current portion of long-term bank borrowings	62,000	(62,000) [#]	—
	<u>302,727</u>	<u>(297,800)</u>	<u>4,927</u>
Non-current liability			
Long-term bank borrowings	560,000	(560,000) [#]	—
Net assets	<u>520,700</u>	<u>857,058</u>	<u>1,377,758</u>

Sum of * = Net assets of HK\$473,000 = Completion Net Asset Value as at 31 March 2020/1 April 2020

Sum of [#] = Total bank borrowings of HK\$857,800,000 as at 31 March 2020/1 April 2020

- (b) Adjusted consideration represents the amount to be received if the Disposal had been completed on 1 April 2020, which had taken into account the Completion Net Asset Value as at 31 March 2020/1 April 2020.

The actual amounts of the adjusted consideration and the estimated gain on the Disposal can only be determined at Completion, which may be substantially different from the estimated amounts used in preparation of the Unaudited Pro Forma Financial Information.

8. These adjustments represent the estimated cash flow from the Disposal assuming the Disposal had taken place on 1 April 2020:

	<i>HK\$'000</i>
Consideration	1,651,000
Adjustments for Completion Net Asset Value:	
Inclusion of the Completion Net Asset Value as at 31 March 2020/1 April 2020 (as set out in sum of * in note a of Note 7 above)	<u>473</u>
Adjusted consideration [^] (note)	1,651,473
Less: Estimated expenses directly attributable to the Disposal	<u>(27,920)</u>
Estimated cash inflow from the Disposal	1,623,553
Less: Repayment of bank borrowings (as set out in sum of # in note a of Note 7 above)	<u>(857,800)</u>
	765,753
Less: Cash and bank balances disposed of as at 31 March 2020/1 April 2020 (as set out in note a of Note 7 above)	<u>(2,283)</u>
Estimated net cash inflow from the Disposal	<u><u>763,470</u></u>

[^] The assets and liabilities to be disposed of excluded the amounts due to immediate holding companies by the Target Companies, which will be assigned to the Purchaser at Completion from the net value of assets and liabilities of the Target Companies.

Note: Adjusted consideration represents the amount to be received if the Disposal had been completed on 1 April 2020, which had taken into account Completion Net Asset Value as at 31 March 2020/1 April 2020.

The actual amounts of the adjusted consideration, bank borrowings and the estimated cash inflow from the Disposal can only be determined at Completion, which may be substantially different from the estimated amounts used in preparation of the Unaudited Pro Forma Financial Information.

9. Regarding the unaudited pro forma consolidated balance sheet, apart from Note 6 above relating to the Disposal, no other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2021.
10. Regarding the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated cash flow statement, apart from Note 4 above relating to the Panyu Disposal and Notes 7 and 8 above relating to the Disposal, no other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 1 April 2020.
11. Other than the adjustments relating to the exclusion of the results and cash flows of the Panyu Subsidiaries and the Target Companies to be disposed of for the year ended 31 March 2021 as mentioned in Note 4 and Note 5 respectively, the above adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of comprehensive income of the Remaining Group and the unaudited pro forma consolidated cash flow statement of the Remaining Group.

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

The following is the text of a report on the unaudited pro forma financial information of the Remaining Group 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 Consortium International Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Chuang's Consortium International Limited (the **"Company"**) and its subsidiaries (collectively the **"Group"**) excluding the properties holding subsidiaries which held the property project in Panyu, the People's Republic of China that were disposed in May 2021 (the **"Panyu Disposal"**), Flying Dragon Limited and its subsidiary (the **"Flying Dragon Group"**) and Sav Hospitality Limited (**"Sav Hospitality"**) by the directors of the Company (the **"Directors"**) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated balance sheet as at 30 September 2021, the unaudited pro forma consolidated statement of comprehensive income for the year ended 31 March 2021, the unaudited pro forma consolidated cash flow statement for the year ended 31 March 2021, and related notes (the **"Unaudited Pro Forma Financial Information"**) as set out on pages III-1 to III-17 of the Company's circular dated 21 January 2022, in connection with the proposed disposal of the Flying Dragon Group and Sav Hospitality (the **"Disposal"**) by the Company (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-17 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Disposal on the Group's financial position as at 30 September 2021 and the impact of the Panyu Disposal and the Disposal on the Group's financial performance and cash flows for the year ended 31 March 2021 as if the Disposal had taken place at 30 September 2021 and the Panyu Disposal and the Disposal had taken place at 1 April 2020 respectively. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's interim financial information for the six months ended 30 September 2021 set out in the interim report, on which a review report has been issued, and information about the Group's financial performance and cash flows has been extracted by the Directors from the Group's financial statements for the year ended 31 March 2021, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 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 Disposal at 30 September 2021 or the Panyu Disposal and the Disposal at 1 April 2020 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 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, 21 January 2022

The following is the text of a letter and valuation particulars prepared for the purpose of incorporation in this circular received from Colliers, an independent valuer, in connection with its valuation as at 30 November 2021 of the Property.

The logo for Colliers, featuring the word "Colliers" in a bold, serif font, enclosed within a rectangular border with horizontal lines at the bottom.

21 January 2022

Chuang's Consortium International Limited

25/F, Alexandra House,
18 Chater Road, Central,
Hong Kong

Re: Valuation of the property known as Hotel sáv at No. 83 Wuhu Street, Hunghom, Kowloon, Hong Kong (the "Property")

Dear Sirs,

INSTRUCTIONS, PURPOSES AND VALUATION DATE

In accordance with your instructions for us to assess the market values of the Property in Hong Kong, we confirm that we have made relevant enquiries and searches and obtained such further information as we consider necessary for providing you with our opinion of the values of the Property as at 30 November 2021 (the "**Valuation Date**") for disposal purposes.

BASIS OF VALUATION

Our valuation has been made on the basis of market value 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".

VALUATION STANDARDS

The valuation has been carried out in accordance with the prevailing Hong Kong Institute of Surveyors' (HKIS) *Valuation Standards* published by the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors' (RICS) *Valuation — Global Standards*, both incorporating the *International Valuation Standards* published by the International Valuation Standards Council (IVSC). We have complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on the Stock Exchange of the Hong Kong Limited.

VALUATION METHODOLOGY

We have valued the Property by the following approach:

Market Approach

This approach estimates the value of properties by comparing recent sales of similar interests in the building or buildings located in their surrounding area. By analysing such sales which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject property. This approach is commonly used to value properties when reliable sales evidence of properties of a similar nature is available.

SOURCE OF INFORMATION

All investigations have been conducted independently and without influence from any third parties in any way. We have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on such matters as particulars of occupancy, ownership title, lettings, statutory notices, easements, tenure, joint venture agreements and all other relevant matters. Dimensions, measurements and areas included in the valuation particulars are based on information provided and are only approximations.

TITLE INVESTIGATIONS

We have conducted relevant land searches from the Land Registry. However, we have neither examined the original documents to verify the ownership nor to ascertain the existence of any amendments which do not appear on the copies handed to us and we have assumed no responsibility for such matters.

SITE MEASUREMENT

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are correct.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the Property on 20 December 2021 and 31 December 2021. 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 and will not prejudice any sales or lettings.

ASSUMPTIONS AND CAVEATS

Our valuation has been made on the assumption that the Property would be sold in the open market in its existing state, subject to existing tenancies or otherwise with the benefit of vacant possession, without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could affect the value of the Property.

We have valued the Property on the basis that each of them is considered individually. We have not allowed any discount for the Property being sold to one party nor taken into account any effect on the value if the Property was offered for sale at the same time as a portfolio.

We have conducted the valuations assuming that:

1. we have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value.
2. any land premium or other relevant fees (if any) payable for the acquisition, transfer, sale, letting or mortgage of the Property have been fully paid and settled.
3. we have assumed proper title has been obtained, and the Property and the interest valued therein can be freely transferred, mortgaged and let in the market.
4. the information, estimates and opinions furnished to us and contained in this report have been obtained from sources considered reliable and believed to be true and correct, but we can assume no responsibility for their accuracy.

THE VALUER

This valuation has been prepared by Hannah Jeong, Head of Valuation and Advisory Services and Nancy Chan, Associate Director of Valuation and Advisory Services.

Both valuers have sufficient experience to carry out valuations of this size and nature.

Neither the valuers nor Colliers International (Hong Kong) Limited are aware of any pecuniary interest or other conflict of interest that could affect their ability to give an unbiased and objective opinion of the value of the Property.

CURRENCY

Unless otherwise stated, all monetary figures in this report are in Hong Kong Dollar (HK\$).

Our valuation particulars are herein attached.

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

Nancy Chan
MHKIS MRICS RPS(GP) MCIREA
REGISTERED REAL ESTATE
APPRAISER PRC
Associate Director
Valuation and Advisory Services

Hannah Jeong
MSc (Real Estate) MRICS MHKIS RPS(GP)
Head of Valuation and Advisory Services

Note: Hannah Jeong holds a Master of Science Degree, is a Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice) with over 16 years' experience in the real estate industry. Her valuation experience covers Hong Kong SAR, mainland China and other Asia regions.

Nancy Chan is a Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice), a member of the China Institute of Real Estate of Real Estate Appraisers and Agents and a registered Real Estate Appraiser PRC with over 11 years' experience in the real estate industry. Her valuation experience covers Hong Kong SAR, mainland China and other Asia regions.

VALUATION PARTICULARS

Property Interests for investment purposes which the Company is considering disposing of:

Property	Description and tenure	Particulars of occupancy	Market value as at 30 November 2021
The property known as Hotel sáv at No. 83 Wuhu Street, Hunghom, Kowloon, Hong Kong (The “ Property ”)	The Property is a 24-storey building (plus one basement floor) erected over a site with a site area of approximately 10,204 sq. ft.. Pursuant to the Occupation Permit No. K36/96, the Property was built in 1996.	As per the information provided by the Company, as at the Valuation Date, the ground and first floors of the Property are leased under various tenancies with the last expiry date in May 2024, and the total monthly rental as per the tenancy agreements is approximately HK\$673,000, inclusive of management fees but exclusive of government rates. As at the Latest Practicable Date, the Group is taking legal actions to terminate the tenancy of one retail unit on the first floor, and another one retail unit on the first floor is vacant. The upper floors of the Property is the Hotel operated and managed under the brand name Hotel sáv by the Group.	HK\$1,621,000,000 (Hong Kong Dollars One Billion Six Hundred Twenty-One Million only)
Lot Numbers: Hung Hom Inland Lot Nos. 304, 305, 394, 428, 443, 452, 455, 456, 462, 466, 470, Section A and The Remaining Portion of Hung Hom Inland Lot No. 440	The Property has a total gross floor area (“ GFA ”) of approximately 122,108 sq. ft., including the retail on the ground and first floors with aggregate GFA of approximately 10,045 sq. ft.. The Property was renovated in 2015 with the upper floors operating as the Hotel comprising 388 guestrooms, gym facilities and parking spaces. Hung Hom Inland Lot Nos. 304, 305, 394, 428, 443, 452, 455, 456, 462, 466, 470, Section A and The Remaining Portion of Hung Hom Inland Lot No. 440 are held under various Conditions of Renewal, Government Lease and Conditions of Regrant (details please refer to Note 3 below), all for a term of 150 years commencing from 4 April 1887. The total Government rent of the above lots are about HK\$444 per annum.		

Notes:

- The registered owner of the Property is Mega Well Limited by three assignments dated 24 May 1993 at a consideration of HK\$60,000,000 (registered vide Memorial No. UB5685951), HK\$20,000,000 (registered vide Memorial No. UB5685950) and HK\$200,000,000 (registered vide Memorial No. UB5685949), respectively.
- The Property was inspected by Nancy Chan on 20 December 2021 and Hannah Jeong on 31 December 2021.
- The Property lies on 13 lots and the lot details are as follows:

Lot Number	Name of Lease Document	Lease Term
Hung Hom Inland Lot No. 304	Conditions of Renewal No. UB4761	A term of 150 years commencing from 4 April 1887
Hung Hom Inland Lot No. 305	Conditions of Renewal No. UB4765	ditto
Hung Hom Inland Lot No. 394	Government Lease	ditto
Hung Hom Inland Lot No. 428	Conditions of Regrant No. UB6856	ditto
Hung Hom Inland Lot No. 443	Conditions of Regrant No. UB7193	ditto
Hung Hom Inland Lot No. 452	Conditions of Regrant No. UB7428	ditto
Hung Hom Inland Lot No. 455	Conditions of Regrant No. UB7968	ditto
Hung Hom Inland Lot No. 456	Conditions of Regrant No. UB7426	ditto
Hung Hom Inland Lot No. 462	Conditions of Regrant No. UB7457	ditto
Hung Hom Inland Lot No. 466	Conditions of Regrant No. UB7564	ditto
Hung Hom Inland Lot No. 470	Conditions of Regrant No. UB8036	ditto
Section A of Hung Hom Inland Lot No. 440	Conditions of Regrant No. UB7167	ditto
The Remaining Portion of Hung Hom Inland Lot No. 440	Conditions of Regrant No. UB7167	ditto

4. The Property has/is subject to the following registrations/encumbrances:
 - (a) Occupation Permit (Permit No. K36/96) dated 18 December 1996, registered vide Memorial No. UB7013001.
 - (b) A Licence to Permit Five Categories of Offensive Trades Re HHIL 394 dated 23 March 2011, registered vide Memorial No.11051300770022.
 - (c) A Memorandum on the Name of the Building dated 26 January 1998, registered vide Memorial No. UB7411365.
 - (d) A Memorandum of Change of Building Name dated 8 January 2014, registered vide Memorial No. 14011002350024.
 - (e) A Debenture dated 27 March 2015 in favour of The Hong Kong and Shanghai Banking Corporation Limited, registered vide Memorial No. 15041502400066.
 - (f) An Assignment of Income and Receivables (Incorporating a Charge over Account) dated 27 March 2015 in favour of The Hong Kong and Shanghai Banking Corporation Limited, registered vide Memorial No. 15041502400079.
5. The Property lies within an area zoned “Other Specified Uses (Hotel)” under Draft Hung Hom Outline Zoning Plan S/K9/27 exhibited on 9 July 2021.
6. The Property is situated in south-western part of Wuhu Street in the junctions of Marsh Street and Taku Street. Development in the vicinity comprises a mixture of aged domestic buildings, residential developments, public housing estates, groceries stores and retail shops. The Hong Kong Coliseum is about 4 minutes driving distance away from the Property. Whampoa Station and Ho Man Tin Station are about 4-minutes and 9-minutes walking distance respectively. Public transport such as buses, public light buses and taxis are available along Ma Tau Wai Road and Hung Hom Road.
7. We have considered the following ground floor retail transactions as available in the relevant market in our valuation for the ground floor retail of the Property, which are situated at Ma Tau Kok, To Kwa Wan and Hung Hom districts. The unit rate of these comparables on effective area basis ranged from approximately HK\$47,727 to HK\$74,648 per sq. ft.. After due adjustments on time, location, frontage, size, layout, building quality and visibility, we have adopted unit rate of approximately HK\$62,920 per sq. ft., on effective area basis, to arrive the market value of HK\$180,000,000 for the ground floor retail of the Property.

The details of comparables are as follows:

	Comparable 1	Comparable 2	Comparable 3
Building Name	The Zutton	Tak Shing Mansion	On Ning Building
Address	50 Ma Tau Kok Road	50 Tam Kung Road	47-55 Ma Tau Kok Road
District	Ma Tau Kok	To Kwa Wan	Ma Tau Kok
Floor	G	G	G
Unit	15	3	C
Effective Area (sq. ft.)	284	181	220
Year Built	2017	1993	1981
Transaction Date	16 September 2021	12 August 2021	16 March 2021
Consideration (HK\$)	21,200,000	12,800,000	10,500,000
Unit Rate (HK\$/sq. ft.)	74,648	70,718	47,727

	Comparable 4	Comparable 5
Building Name	Wuhu Residence	Wuhu Residence
Address	105–113 Wuhu Street	105–113 Wuhu Street
District	Hung Hom	Hung Hom
Floor	G	G
Unit	A	C
Effective Area (sq. ft.)	220	745
Year Built	2011	2011
Transaction Date	18 February 2021	17 July 2020
Consideration (HK\$)	10,800,000	44,600,000
Unit Rate (HK\$/sq. ft.)	49,091	59,866

8. We have considered the following upper floor retail transactions as available in the relevant market in our valuation for the first floor retail of the Property, which are situated at Tsim Sha Tsui, Sha Tin, Sai Kung and Hung Hom districts. The unit rate of these comparables on effective area basis ranged from approximately HK\$18,755 to HK\$25,715 per sq. ft.. After due adjustments on time, location, floor, size, age, building quality and layout, we have adopted unit rate of approximately HK\$23,273 per sq. ft., on effective area basis, to arrive the market value of HK\$107,800,000 for the first floor retail of the Property.

The details of comparables are as follows:

	Comparable 1	Comparable 2
Building Name	H8	Kings Wing Plaza 2
Address	8 Hau Fook Street	1 On Kwan Street
District	Tsim Sha Tsui	Sha Tin
Floor	6	1
Unit	Whole Floor	153
Effective Area (sq. ft.)	1,405	3,111
Year Built	2011	2016
Transaction Date	22 June 2021	30 April 2021
Consideration (HK\$)	36,000,000	80,000,000
Unit Rate (HK\$/sq. ft.)	25,623	25,715

	Comparable 3	Comparable 4
Building Name	Sai Kung Garden	Harbourfront Landmark
Address	16 Chan Man Street	11 Wan Hoi Street
District	Sai Kung	Hung Hom
Floor	1	6
Unit	Whole Floor	Whole Floor
Effective Area (sq. ft.)	19,105	22,805
Year Built	1991	2001
Transaction Date	7 January 2021	21 February 2019
Consideration (HK\$)	400,000,000	427,700,000
Unit Rate (HK\$/sq. ft.)	20,937	18,755

9. We have considered the following hotel transactions as available in the relevant market in our valuation for the hotel portion of the Property, which are situated at To Kwa Wan, Tsim Sha Shui, Wan Chai and Tai Kok Tsui districts. The unit rate of these comparables on GFA basis ranged from approximately HK\$11,537 to HK\$16,237 per sq. ft.. After due adjustments on time, location, size, building quality and facilities, we have adopted unit rate of approximately HK\$11,897 per sq. ft., on GFA basis, to arrive the market value of HK\$1,333,200,000 for the hotel portion of the Property.

The details of comparables are as follows:

	Comparable 1	Comparable 2	Comparable 3
Hotel Name	Le Hoteru	Butterfly on Prat	The Emperor Hotel
Address	103 Tam Kung Road	21–23 Prat Avenue	373 Queen's Road East
District	To Kwa Wan	Tsim Sha Tsui	Wan Chai
Year Built	2018	1988 (Renovated in 2014)	2017
No. of Storey	18	18	29
No. of Room	99	158	299
Total GFA (sq. ft.)	29,349	68,557	115,728
Transaction Date	August 2021	August 2021	January 2021
Consideration (HK\$)	380,000,000	980,000,000	1,500,000,000
Unit Rate (HK\$/sq. ft.)	12,948	14,295	12,961
		Comparable 4	Comparable 5
Hotel Name		O'Hotel	Iclub Mongkok Hotel
Address		42–46 Kowloon City Road	2 Anchor Street
District		To Kwa Wan	Tai Kok Tsui
Year Built		2012	2019
No. of Storey		20	18
No. of Room		151	288
Total GFA (sq. ft.)		27,861	70,278
Transaction Date		January 2021	May 2019
Consideration (HK\$)		452,385,290	810,820,000
Unit Rate (HK\$/sq. ft.)		16,237	11,537

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 were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV 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:

(a) *Interests in the Company*

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

(b) *Interests in associated corporations*

(i) *EHL*

Name of Director	Nature of interest	Number of shares	Percentage of shareholding
Mr. Albert Chuang	Beneficial owner	1	10.00%
Mrs. Candy Kotewall Chuang Ka Wai (“ Ms. Candy Chuang ”)	Beneficial owner	1	10.00%
Mr. Edwin Chuang Ka Fung	Beneficial owner	1	10.00%
Mr. Geoffrey Chuang Ka Kam	Beneficial owner	1	10.00%

(ii) Interests in Chuang's China Investments Limited (“Chuang's China”)

Name of Director	Nature of interest	Number of shares	Percentage of shareholding
Ms. Candy Chuang	Beneficial owner	1,255,004	0.05%

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 are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of Part XV 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 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 2021, 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

The Company discloses that Mr. Albert Chuang, Mr. Edwin Chuang Ka Fung, Ms. Candy Chuang and Mr. Geoffrey Chuang Ka Kam hold equity interests and directorships in certain private companies which are engaged in the businesses of luxurious residential property investment in Hong Kong and securities investment and trading.

Save as disclosed above, 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

The Company announced on 22 June 2017, 22 November 2017, 13 December 2017, 25 April 2018 and 12 February 2019 respectively in respect of the derivative action commenced by Chinaculture.com Limited, a wholly-owned subsidiary of Chuang's China, on behalf of CNT Group Limited ("CNT"), a company listed on the Stock Exchange, against certain executive directors of CNT as defendants, and CNT as a nominal defendant. The substantive trial of the derivative action was heard as scheduled on 9 November 2020 at the High Court of Hong Kong and is awaiting for the court decision.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, the Group is not engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

4. EXPERTS AND CONSENTS

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

Name	Qualifications
PricewaterhouseCoopers	Certified Public Accountants under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under the Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Colliers	Professional surveyor and valuer

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 of its letter, advice and opinion and references to its name in the form and context in which it appeared.

As at the Latest Practicable Date, the above experts did not have any shareholding in any member of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above experts did not have any interest in any assets which have been, since 31 March 2021 (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.

5. MATERIAL CONTRACTS

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

- (a) the sale and purchase agreement dated 30 April 2020 entered into between Bizking Limited (“**BL**”), an indirect wholly-owned subsidiary of Chuang’s China, and Retain Prosper Limited (“**RPL**”) in relation to the disposal by BL to RPL of the entire issued share capital of Noble Title Limited for a consideration of approximately GBP94,215,000 (subject to adjustments), details of which were set out in the announcement and the circular of the Company dated 3 May 2020 and 3 June 2020 respectively;
- (b) the conditional sale and purchase agreement dated 9 February 2021 entered into amongst Chuang’s China Realty Limited (“**CCR**”), a direct wholly-owned subsidiary of Chuang’s China, Chuang’s China, FS Dongguan No. 6 Ltd and First Sponsor Group Limited in relation to the disposal of the entire issued share capital of Double Wealthy Company Limited and the entire amount of the loan owing by Double Wealthy Company Limited to CCR for a consideration of not more than approximately RMB1,564 million (subject to adjustments), details of which were set out in the announcement and the circular of the Company dated 11 February 2021 and 19 March 2021 respectively;
- (c) the conditional sale and purchase agreement dated 9 February 2021 entered into amongst Guangzhou Heng Yang Investment Services Limited* (廣州恒陽投資諮詢服務有限公司), an indirect wholly-owned subsidiary of Chuang’s China, First Sponsor (Guangdong) Group Limited* (首鑄(廣東)集團有限公司) and Shoucheng (Dongguan) Real Estate Co., Ltd* (首誠(東莞)房地產有限公司) in relation to the disposal of the entire issued share capital of Guangzhou Kai Xiang Properties Management Company Limited* (廣州市凱翔物業管理有限公司) for a consideration of not more than approximately RMB10.5 million (subject to adjustments), details of which were set out in the announcement and the circular of the Company dated 11 February 2021 and 19 March 2021 respectively;
- (d) the conditional sale and purchase agreement dated 29 June 2021 entered into amongst Energy Hero Limited and Fanus (as vendors), CCR (as purchaser), the Company and Chuang’s China in relation to the sale and purchase of the entire issued share capital of each of Central Treasure Investments Limited and Easy Success Enterprises Limited and the entire amounts of the shareholders’ loans owing to the vendors for an estimated consideration of not more than approximately

* English translation only

HK\$586 million (subject to adjustments), details of which were set out in the announcement and the circular of the Company dated 29 June 2021 and 20 August 2021 respectively, and the transaction had lapsed with details set out in the announcement of the Company dated 14 September 2021; and

- (e) the Sale and Purchase Agreement.

6. GENERAL

- (a) The secretary of the Company is Ms. Lee Wai Ching who is a fellow of both the Chartered Governance Institute in the United Kingdom and the Hong Kong Chartered Governance Institute.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, 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 Standard Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In the event of any inconsistency, the English texts of the circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

7. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the Company's website (www.chuang-consortium.com) and the Stock Exchange's website (www.hkexnews.hk) up to and including the date which is 14 days from the date of this circular:

- (a) the Sale and Purchase Agreement;
- (b) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;
- (c) the valuation report prepared by Colliers, the text of which is set out in Appendix IV to this circular; and
- (d) the written consents referred to in the paragraph headed "Experts and Consents" in this Appendix.



Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Chuang's Consortium International Limited ("**Company**") will be held at United Conference Centre, 10/F., United Centre, 95 Queensway, Admiralty, Hong Kong, on Tuesday, 15 February 2022 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTION

"**THAT:**

- (i) the conditional sale and purchase agreement dated 20 December 2021 entered into amongst Chuang's Consortium International Limited and Fanus Limited (collectively "**Vendors**") and VIA IV (BVI) Holdco 7 Ltd ("**Purchaser**") ("**Sale and Purchase Agreement**") (a copy of which has been produced at the meeting and marked "**A**" and initialled by the chairman of the meeting for the purpose of identification) in relation to, among other matters, the sale and purchase by the Vendors to the Purchaser of the entire issued share capital of each of Flying Dragon Limited and Sav Hospitality Limited and the entire amount of the shareholders' loans owing by each of Flying Dragon Limited and Sav Hospitality Limited to the Vendors immediately prior to the completion of the Sale and Purchase Agreement at an estimated consideration of approximately HK\$1,651.0 million (subject to adjustments in accordance with the terms and conditions of the Sale and Purchase Agreement) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (ii) the directors of the Company (including any duly authorized committee of the board of directors) be and are hereby authorized to do all such things and acts and execute all such documents which they consider necessary, desirable, or expedient in connection with the implementation or completion of the Sale and Purchase Agreement and/or any variation, amendments or waiver of the terms of the Sale and Purchase Agreement."

By order of the Board of
Chuang's Consortium International Limited
Lee Wai Ching
Company Secretary

Hong Kong, 21 January 2022

NOTICE OF SGM

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

*Head office and principal place
of business in Hong Kong:*
25th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company.
2. To be valid, a form of proxy in the prescribed form, together with any power of attorney or other authority (if any), under which it is signed or a certified copy thereof must be deposited at the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be).
3. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Thursday, 10 February 2022 to Tuesday, 15 February 2022, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 9 February 2022.
4. For joint registered holders of any shares of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if the shareholder was solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.
5. To safeguard the health and safety of attending shareholders and proxies and to reduce the risk of COVID-19 spreading, the following precautionary measures will be taken at the meeting of the Company:
 - (i) compulsory body temperature check;
 - (ii) mandatory wearing of surgical face mask (please bring your own);
 - (iii) no refreshments will be served and no corporate gifts will be distributed;
 - (iv) no entry will be allowed to any person who is subject to mandatory quarantine order imposed by the HKSAR Government and any person who does not comply with the precautionary measures may be denied entry into the meeting venue; and
 - (v) in order to ensure appropriate social distancing, attendees will be assigned seats in different rooms or partitioned areas with telecommunication facilities, if appropriate.

Shareholders are strongly encouraged to appoint the chairman of the meeting of the Company as their proxy to vote according to their indicated voting instructions as an alternative to attending the meeting of the Company in person.

Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as appropriate.