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If you have sold or transferred all your shares in **Million Hope Industries Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Million Hope Industries Holdings Limited
美亨實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1897)

**MAJOR TRANSACTIONS
IN RELATION TO
FORMATION OF JOINT VENTURE
AND
ACQUISITION OF INTEREST IN THE PROPERTY**

The transactions being the subject matter of this circular have been approved by written shareholders' approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

24 January 2022

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DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following terms and expressions have the following meanings:

“Acquisition”	acquisition of the Property by the Project Company pursuant to the Sale and Purchase Agreement
“Board”	board of Directors of the Company
“Company”	Million Hope Industries Holdings Limited (stock code: 1897), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”, “percentage ratio” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	collectively, 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 People’s Republic of China
“JV Company”	Wealth King Ventures Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly holds 100% legal and beneficial ownership of the Project Company
“JV Partner”	KLT II Holdings (BVI) L.P., a limited partnership established in the British Virgin Islands
“Latest Practicable Date”	19 January 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Project Company”	Trillion Wisdom Limited (兆惠有限公司), a company incorporated in Hong Kong with limited liability and wholly owned by the JV Company
“Property”	ALL THAT piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT No. 3771 together with the messuages, erections and buildings thereon known at the date hereof as No. 55 Nga Tsin Wai Road, Kowloon
“Sale and Purchase Agreement”	the sale and purchase agreement dated 16 December 2021 entered into between the Vendor and the Project Company in relation to the sale and purchase of the Property
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders Deed”	shareholders deed dated 16 December 2021 entered into between Ultra Elite, the JV Partner and the JV Company in relation to, among other things, the operation and management of the JV Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	formation of the joint venture between Ultra Elite and the JV Partner in relation to the acquisition, redevelopment and disposition of the Property and other transactions contemplated under the Shareholders Deed
“Ultra Elite”	Ultra Elite Global Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly wholly owned by the Company
“US\$”	United States dollars, the lawful currency of the United States of America

DEFINITIONS

“Vendor” the estate of the late Law Yeung Sau Ying Loretta,
represented by Law Ronald Kai Yee as an executor

“%” per cent

For the purpose of this circular, and for illustrative purpose only, unless otherwise specified, conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1 to HK\$7.8. No representation is made that any amounts in US\$ have been or could be converted at the above rate or at any other rates.

LETTER FROM THE BOARD



Million Hope Industries Holdings Limited

美亨實業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1897)

Directors:

Mr. Wong Sue Toa, Stewert (*Chairman*)[#]
Mr. Chuk Kin Lun (*Joint Managing Director*)
Mr. Lee Cheuk Hung (*Joint Managing Director*)
Mr. Wong Kin
Mr. Cha Mou Daid, Johnson[#]
Mr. Chung Sam Tin Abraham[#]
Mr. Tai Sai Ho[#]
Mr. Chau On Ta Yuen*
Professor Ho Richard Yan Ki*
Mr. Poon Kan Young*
Mr. Yip Kai Yung*

[#] *Non-executive Director*

* *Independent Non-executive Director*

Registered Office:

Maples Corporate Services Limited
P.O. Box 309, Uglund House
Grand Cayman, KY1-1104
Cayman Islands

Principal Office in Hong Kong:

Office A, 20th Floor
Kings Wing Plaza 1
3 On Kwan Street
Shek Mun
Shatin, New Territories
Hong Kong

24 January 2022

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTIONS
IN RELATION TO
FORMATION OF JOINT VENTURE
AND
ACQUISITION OF INTEREST IN THE PROPERTY**

INTRODUCTION

Reference is made to the announcement of the Company dated 16 December 2021 in relation to, among other things, the formation of joint venture (i.e. the Transaction) and the sale and purchase of interest in the Property (i.e. the Acquisition).

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, the details of the Transaction and the Acquisition as required under the Listing Rules.

FORMATION OF JOINT VENTURE – SHAREHOLDERS DEED

The principal terms of the Shareholders Deed are summarised below.

Date

16 December 2021 (after trading hours)

Parties

1. Ultra Elite, an indirect wholly-owned subsidiary of the Company
2. The JV Partner, acting by its general partner, AGR X Asia Member GP, L.L.C.
3. The JV Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the JV Partner, its investment manager and general partner is a third party independent of and not connected with the Company and its connected persons.

Subject Matter

Ultra Elite and the JV Partner have agreed on the formation of joint venture among themselves in relation to the operation and management of the JV Company, including the acquisition and redevelopment for sale of the Property and other terms as disclosed in this circular.

Funding and Capital Commitment

As at the Latest Practicable Date, the JV Company is owned as to 50% each by Ultra Elite and the JV Partner, respectively.

Pursuant to the Shareholders Deed, Ultra Elite and the JV Partner agreed to provide a maximum aggregate capital commitment of HK\$344,800,000 based on their pro-rata interest in the JV Company (i.e. HK\$172,400,000 for each of Ultra Elite and the JV Partner). The JV Company will finance its operation by way of external financing first and, if such third-party financing cannot be obtained, unsecured shareholder's loans provided by Ultra Elite and the JV Partner on a pro-rata and interest-free basis. All loans, guarantee, security and undertakings for third-party financing provided by the parties and their respective affiliates shall be on pro-rata and several (but not joint and several) basis, and shall not exceed the parties' respective capital commitment under the Shareholders Deed.

LETTER FROM THE BOARD

As at the Latest Practicable Date, each of Ultra Elite and the JV Partner has provided an unsecured interest-free shareholder's loan in the amount of HK\$9,750,000 to the JV Company, which has been on-lent to the Project Company for payment of deposits for the Acquisition.

It is expected that as at completion of the Acquisition, each of Ultra Elite and the JV Partner will have provided shareholder's loan in an amount of approximately HK\$72,800,000 for covering, among other items, consideration payable for and costs of the Acquisition, costs related to bank financing and reserved funds for construction costs and general working capital of the Project Company.

Immediately following completion of the subscription of share by the JV Partner on 16 December 2021, the JV Company ceased to be a subsidiary of the Company. The JV Company's operating results, assets and liabilities will not be consolidated in the financial statements of the Group but will be recorded and accounted for as a joint venture in the Group's financial statements.

The parties' maximum aggregate commitment was determined after arm's length negotiation between Ultra Elite and the JV Partner with reference to the consideration payable for the Acquisition, the land premium and the stamp duty, and the estimated costs for the redevelopment project of the Property including construction costs, project management and agency fees, finance expenses and professional fees. Having considered the detailed breakdown of the total capital commitment, the Board considers that the Group's capital commitment to the JV Company is fair and reasonable. The Group will finance its portion of capital commitment from its internal resources.

Right of First Offer to Co-invest

Until 100% of the disposal of the residential units of the Property, if Ultra Elite intends to invest in the development, adaptive reuse, renovation or redevelopment of any residential project located in the approved Kowloon Tong (KPA 18) Outline Zone Plan No. S/K18/21, it shall invite and grant a right of first offer (but not an obligation) to the JV Partner to co-invest in such residential project for a level of equity interest up to but not higher than that of Ultra Elite.

If the JV Partner does not wish to co-invest in such additional project, then Ultra Elite shall be entitled to proceed with such project whether on its own or with other co-investors.

The right of first offer to co-invest was decided by the parties following arm's length negotiations. Considering the benefits that the collaboration with the JV Partner is expected to bring to Ultra Elite, and given that the Transaction and the Acquisition are a one-off investment of the Group and the Company is not currently contemplating further investing in real estate projects, the Directors believe that granting such right of first offer to co-invest to the JV Partner is fair and reasonable and in the interests of both the Company and the Shareholders.

LETTER FROM THE BOARD

Management

The board of directors of the JV Company consists of four directors. Each of Ultra Elite and the JV Partner is entitled to appoint and nominate two directors to the board of directors of the JV Company. The quorum of a meeting of the board of directors of the JV Company shall be two directors, comprising at least one director appointed by each of Ultra Elite and the JV Partner. The right to appoint the chairman of the board of directors of the JV Company shall vest in Ultra Elite and the JV Partner in alternate years. The chairman shall not be entitled to a second or casting vote in board meeting.

All board resolutions of the JV Company shall be passed by a simple majority, save for resolutions related to certain major decisions as set out in the Shareholders Deed (including any change in the nature or scope of the business of the JV Company or its subsidiaries, or where the JV Company or any of its subsidiaries proposes to enter into any transactions which are not on an arm's length basis), which shall be unanimously approved.

Restrictions on Transfer and Exit Option

Unless otherwise provided in the Shareholders Deed, each of Ultra Elite and the JV Partner shall be subject to certain customary transfer restrictions (including a right of first offer, tag-along right and drag-along right) in a proposed transfer of its equity interest in the JV Company.

In the event of the occurrence of any events of default, including material breach, liquidation and/or insolvency events, and a change in control of any shareholder of the JV Company, the defaulting shareholder shall be deemed to have irrevocably offered to sell all of its shares in and shareholder's loan provided to the JV Company to the non-defaulting shareholder.

Upon 100% of the disposal of the residential units of the Property (after redevelopment), the JV Partner shall be entitled to sell to Ultra Elite, and Ultra Elite shall be obliged to purchase, all of the JV Partner's share(s) in the JV Company based on the net asset value of the JV Company and the JV Partner's equity ratio in the JV Company at the time of sale.

LETTER FROM THE BOARD

ACQUISITION – SALE AND PURCHASE AGREEMENT

The Board is also pleased to announce that, upon formation of the joint venture mentioned above, on 16 December 2021 (after trading hours), the Project Company (which is indirectly wholly-owned by the JV Company) and the Vendor entered into the Sale and Purchase Agreement for the sale and purchase of the Property for a purchase price of HK\$195,000,000, payable in cash.

Date

16 December 2021 (after trading hours)

Parties

1. The Vendor, as the vendor
2. Project Company, a wholly-owned subsidiary of the JV Company, as the purchaser

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, each of the Vendor, its executor, its beneficiary(ies) and such other person who has any interest in the Property is a third party independent of and not connected with the Company and its connected persons.

Subject Matter and Consideration

The Vendor agreed to sell, and the Project Company agreed to purchase, the Property at a purchase price of HK\$195,000,000, payable in cash.

As at the Latest Practicable Date, the Project Company has paid HK\$19,500,000 as deposits in part payment of the purchase price. Such deposits were funded indirectly via the shareholder's loans provided by Ultra Elite and the JV Partner, which shall be refunded if the Vendor fails to complete the sale but forfeited if the Project Company fails to complete the purchase. If either party does not complete the sale and purchase (as the case may be), the other party shall be entitled to specific performance and to recover damages.

The balance of the purchase price, in the amount of HK\$175,500,000 shall be payable in cash on completion. The Project Company intends to fund such balance by a combination of bank financing in the amount of approximately HK\$78,000,000 and shareholder's loans in the amount of approximately HK\$97,500,000.

The consideration was determined after arm's length negotiation between Ultra Elite, the JV Partner and the Vendor taking into account the market value of the comparable properties nearby.

LETTER FROM THE BOARD

Condition Precedent and Completion

Completion of the Acquisition shall take place on 26 January 2022 or such other date as the Vendor and the Project Company may agree in writing, conditional upon the sale and purchase of the Property being transacted in accordance with the Listing Rules (including the Company having obtained approval from its shareholders for the Acquisition and having published circular(s) in respect of the Acquisition).

INFORMATION ON THE GROUP, ULTRA ELITE, AND THE JV COMPANY

The Company is an investment holding company. The Group is principally engaged in the design, supply and installation of façade and curtain walls systems, with a focus on curtain walls, aluminium windows and doors.

Ultra Elite is an investment holding company established in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

The JV Company is an investment holding company incorporated in the British Virgin Islands in November 2021. As at the Latest Practicable Date, the JV Company is owned as to 50% by each of Ultra Elite and the JV Partner; and indirectly holds 100% interest in the Project Company, which, upon completion of the Acquisition, will own the Property for redevelopment into a residential development project.

Given that the JV Company is newly incorporated and both the JV Company and its subsidiaries (including the Project Company) have no operation, there is no financial information available as at the Latest Practicable Date.

INFORMATION ON THE JV PARTNER

The JV Partner is a limited partnership established in the British Virgin Islands.

The general partner of the JV Partner is AGR X Asia Member GP, LLC (the “**General Partner**”), whose members are investment funds managed by Angelo, Gordon & Co., L.P. (“**AG**”) with a wide investor base.

The General Partner is managed by AG Real Estate Manager, Inc. (the “**Manager**”). AG is the sole shareholder and ultimate beneficial owner of the Manager.

Both of the General Partner and the Manager are controlled by AG, which is a licensed investment manager in the United States managing approximately US\$48 billion across a broad range of real estate and credit strategies.

The limited partners of the JV Partner are investment funds which have a broad investor base. None of the limited partners of the JV Partner holds more than 10% interest in the JV Partner.

LETTER FROM THE BOARD

INFORMATION ON THE VENDOR

The Vendor is an estate represented by a natural person as its executor.

INFORMATION ON THE PROJECT COMPANY AND THE PROPERTY

The Project Company is an investment holding company which was incorporated in Hong Kong in November 2021 solely for acquiring the Property for redevelopment purpose. It is an indirect wholly-owned subsidiary of the JV Company.

The Property is currently a parcel of development land registered as New Kowloon Inland Lot No. 3771 and located at No. 55 Nga Tsin Wai Road, Kowloon, Hong Kong, with a site area of 8,092 square feet. As at the Latest Practicable Date, the Property is a piece of ground with a vacant building. It is the parties' intention that, upon completion of its acquisition, the Property will be redeveloped as three three-storey low-rise residential townhouses for sale. It is expected that the redevelopment works will commence and complete at around one year and four years after completion of the Acquisition, respectively, and sale of the redeveloped Property is expected to take place at around the fifth year after completion of the Acquisition.

As at 31 December 2021, the Property is valued at HK\$203,000,000 by Colliers International (Hong Kong) Limited, an independent professional property valuer. For details of the valuation of the Property, please refer to the property valuation report as set out in Appendix III to this circular.

FINANCIAL IMPACT ON THE GROUP

Upon completion of the Acquisition, the Property will be held directly by the Project Company and indirectly held by the JV Company. The JV Company is a joint venture of the Company and its financial results will be recorded as share of result of a joint venture in consolidated statement of profit and loss and interest in a joint venture in the consolidated statement of financial position in the books of accounts of the Group. The unaudited pro forma financial information of the Group illustrating the financial impact of the formation of joint venture and acquisition of interest in the Property by the Project Company is set out in Appendix II to this Circular.

Assets and liabilities

As at 30 September 2021, the unaudited consolidated total assets and liabilities of the Group amounted to HK\$713,880,000 and HK\$170,254,000 respectively. Assuming completion of the Transaction and the Acquisition had taken place on 30 September 2021, the unaudited pro forma consolidated total assets and liabilities of the Group would have decreased to HK\$712,530,000 and remain unchanged at HK\$170,254,000 respectively, as a result of the Acquisition.

LETTER FROM THE BOARD

Earnings

The JV Company is newly incorporated and both the JV Company and its subsidiaries (including the Project Company) have no operation and the Property to be acquired is a piece of ground with a vacant building. There is no financial information available as at the Latest Practicable Date. Since the Property will be redeveloped as a residential building for sale, the Acquisition will not have immediate material impact on the earnings of the Group until completion of redevelopment of the Property after several years.

REASONS FOR AND BENEFITS OF THE TRANSACTION AND THE ACQUISITION

Given the current low-interest rate environment, in order to enhance the capital efficiency as well as the return from capital operation, the Directors have been exploring opportunities for better use of its idle cash resources in a way without affecting normal operation and expansion of the Group's business operation. Having compared alternative investment opportunities including time deposit with the commercial banks in Hong Kong (with the current deposit rate of approximately 0.1% per annum) and property investment (with a net expected return of approximately 2% per annum based on the Company's feasibility study on the specific property previously identified by the Board), the Directors believe that the Transaction and the Acquisition represent a good investment opportunity for deploying and maximising monetary return from capital not currently required for the Company's principal business activities, which offers a better potential return to the Group when compared with the other investment opportunities identified and is therefore fair and reasonable and in the interest of the Company and the Shareholders.

The Group's management team has a strong background and expertise in construction and property investment, and therefore the Board considers that the Company can effectively and efficiently oversee this investment project without affecting the normal operation of the Group's principal business activities. The JV Company has formed a project committee to manage the redevelopment project of the Property. The Company's key management personnel responsible for such project are Mr. Lee Cheuk Hung and Mr. Kwok Wing Fai, who are the Company's representative members in the project committee, and will report to the Board from time to time on the progress of the project. Mr. Lee is one of the Joint Managing Directors of the Company, and has comprehensive experience in the building industry in Hong Kong. Mr. Kwok is the senior accounting manager and company secretary of the Company, and has extensive and solid experience in corporate finance matters.

The Company believes that the members of the Board, with their significant and proven expertise in construction, property development and investment, are capable of providing its advice and guidance to the Company's management team and the Company's representatives in the project committee on the redevelopment project of the Property, and it will not, in any way, constitute a distraction from the core businesses of the Company.

LETTER FROM THE BOARD

The JV Company will engage external architects, contractors and other professionals (as required) for the redevelopment project of the Property. Each of Ultra Elite and the JV Partner will assume a supervisory role in monitoring their works and the progress of the redevelopment.

The Transaction and the Acquisition are a one-off investment and are not expected to change the Group's business focus. Going forward, the Group will continue to focus on its principal businesses, namely, the design, supply and installation of façade and curtain walls systems. The Company currently has no plan to engage further in other property investment activities with its idle cash or other means of financing.

Having considered (i) the Group's stable cash flow from the Group's employers which engage the Group to provide works and services in the Group's ordinary and usual course of business for the past three years; (ii) the bank facilities available to the Group in an aggregate amount of HK\$360 million; (iii) the business and development plan for the Company's principal business; and (iv) the nature of the Group's ongoing principal activities, which has a strong reliance on human capital (including staff and subcontractors) instead of other forms of capital expenditure, the Board currently has no major planned capital expenditure and therefore considers the Transaction and the Acquisition will not have material adverse effect on the existing business and operations of the Group.

Taking into account the above reasons and benefits, and the expected return to be generated from the proposed redevelopment project of the Property through the Group's investment in the JV Company, the Directors (including the independent non-executive Directors) consider that the Transaction and the terms of the Shareholders Deed, and the Acquisition and the terms of the Sale and Purchase Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION ABOUT THE JV PARTNER'S BUSINESS RELATIONSHIP AND BUSINESS DELINEATION

Information about the business relationship between the JV Partner and a connected person of the Company

Hanison Construction Holdings Limited (the shares of which are listed on the main board of the Stock Exchange with stock code 896, "**Hanison**", together with its subsidiaries, the "**Hanison Group**") is an associate of CCM Trust (Cayman) Limited and Mingly Corporation, the Company's controlling shareholders, and therefore a connected person of the Company.

LETTER FROM THE BOARD

The Company notes from an announcement of Hanison dated 31 March 2021 that:

- (i) pursuant to a sale and purchase agreement dated 31 March 2021 between Prosper Jade Limited (an indirect wholly-owned subsidiary of Hanison), KLT Holdings (BVI) L.P. and Hanison Construction Holdings (BVI) Limited (an indirect wholly-owned subsidiary of Hanison), KLT Holdings (BVI) L.P. acquired 50% interest in Honour Advent Limited from Prosper Jade Limited;
- (ii) pursuant to a shareholders' deed dated 31 March 2021 between Prosper Jade Limited, KLT Holdings (BVI) L.P. and Honour Advent Limited, Prosper Jade Limited and KLT Holdings (BVI) L.P. may provide unsecured shareholder's loan(s) to Honour Advent Limited;
- (iii) Honour Advent Limited indirectly holds a piece of ground known as No. 57A, Nga Tsin Wai Road, Kowloon, Hong Kong for development for sale (collectively referred to as the "**Hanison-AG Arrangements**")

KLT Holdings (BVI) L.P. and the JV Partner are both managed by the same investment manager. Save as disclosed above, there is no other shareholding and business relationship between the JV Partner, its investment manager and their ultimate beneficial owners on one hand, and the Company and its connected person (including Hanison) on the other hand.

For the sake of clarity and transparency, the Board wishes to add that the Transaction and the Acquisition are not connected transactions for the Company under Chapter 14A of the Listing Rules, and to supplement the following information for the Shareholders' information:

- (i) the negotiations in respect of the Transaction and the Acquisition with the JV Partner were conducted by the Group separately and independently of the Hanison-AG Arrangements, and the Hanison-AG Arrangements were led by different executive directors and working teams of the Company and Hanison respectively;
- (ii) the terms of, and the decisions for the entering into, continuation or completion of the Transaction and the Acquisition are not conditional upon those of the Hanison-AG Arrangements; and
- (iii) although the Property is located near the property held by Honour Advent Limited, the properties are not on adjacent or contiguous sites and will be developed separately. The Company has not discussed with any party and does not intend for the two properties to be developed together or marketed as parts of the same or related development project(s); in any event, the Company understands that construction work has already begun on the property held by Honour Advent Limited.

LETTER FROM THE BOARD

Business Delineation

The Company was spun off from the Hanison Group for a separate listing of its shares in March 2019. Since the listing of the Company's shares on the Stock Exchange, the Group derives its revenue from long term contracts in relation to provision of design, supply and installation of aluminium windows and curtain walls services to external customers.

Based on the latest interim report of Hanison for the six months ended 30 September 2021, the Hanison Group is organised into seven operating divisions: construction, interior and renovation works, design and installation of building materials, sales of health products, property investment (including lease income from property investment and revenue from hotel operations), property development and provision of property agency and management services. The building materials business of the Hanison Group mainly involves the supply and installation of suspended ceiling and flooring for both private and public properties. The Hanison Group's revenue represents the aggregate of the amounts received or receivable from construction contracts, interior and renovation contracts, installation of building materials, sales of health products, provisions of property agency and management services, hotel operations and lease income from property investment.

As stated in the section headed "Formation of Joint Venture – Shareholders Deed – Funding and Capital Commitment" in this letter, upon completion of the Transaction, the JV Company will be recorded and accounted for as a joint venture in the Group's financial statements. Accordingly, revenue deriving from the JV Company will not form part of the Group's revenue. Rather, profits (or losses) from the JV Company will simply be a line item in the Group's income statement. In other words, the JV Company represents a non-core investment for the Group and should not be construed to represent a core business activity of the Group as such. It will not form part of the Group's core businesses, does not represent a change in the focus of the Group's core activities, nor the commencement of a new division of the Group.

The business delineation between the Group and the Hanison Group, upon completion of the Transaction and the Acquisition, will remain clear. As highlighted above in this section, the Transaction and the Acquisition are a one-off investment project, and the Group will continue to focus on its core business activities and does not intend to develop a property arm. Hanison's business interest in the Hanison-AG Arrangement is therefore not considered and should not be construed as a competitive encroachment on the Group's businesses.

LISTING RULES IMPLICATIONS AND SHAREHOLDERS' APPROVAL

As the highest applicable percentage ratio in respect of each of the Transaction and the Acquisition exceeds 25% but is less than 100%, each of the Transaction and the Acquisition constitutes a major transaction for the Company and is subject to the announcement, reporting and shareholders' approval requirements under the Listing Rules.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder has any material interest in the Transaction and/or the Acquisition and is required to abstain from voting if the Company is to convene an extraordinary general meeting for the approval of the Transaction and the Acquisition. The Company has obtained written approval for the Transaction and the Acquisition in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising CCM Trust (Cayman) Limited ("**CCM Trust**") and its subsidiaries and LBJ Regents (PTC) Limited ("**LBJ**") (formerly known as LBJ Regents Limited), which are beneficially interested in 195,104,050 and 27,131,828 shares in the Company respectively, representing in total approximately 52.80% of the entire issued share capital of the Company as at the Latest Practicable Date. CCM Trust and LBJ hold shares in the Company as the trustees of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alios, Mr. Cha Mou Daid, Johnson, being a Director) are among the discretionary objects. As such, no extraordinary general meeting will be convened for the purpose of approving the Transaction and the Acquisition.

RECOMMENDATION

For the reasons set out above, the Directors consider that (i) the Transaction and the terms of the Shareholders Deed; and (ii) the Acquisition and the terms of the Sale and Purchase Agreement are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the Transaction and the Shareholders Deed and the transactions contemplated thereunder, and the Acquisition and the Sale and Purchase Agreement and the transactions contemplated thereunder if it had been necessary to hold a general meeting for such purpose.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Million Hope Industries Holdings Limited
Wong Sue Toa, Stewart
Non-executive Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three years ended 31 March 2019, 2020 and 2021 are disclosed in the annual reports of the Company in respect of the same year dated 17 June 2019 (pages 115-253), 26 June 2020 (pages 117-250) and 16 June 2021 (pages 138-275), respectively, and the audited consolidated financial statements of the Group for the six months ended 30 September 2021 are disclosed in the interim report of the Company in respect of the same period dated 16 November 2021 (pages 23-49), all of which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (<http://www.millionhope.com.hk>), and which can be accessed by the direct hyperlinks below:

- (1) annual report of the Company for the year ended 31 March 2019 dated 17 June 2019 (pages 115-253):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0724/ltn20190724287.pdf>

- (2) annual report of the Company for the year ended 31 March 2020 dated 26 June 2020 (pages 117-250):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0723/2020072300448.pdf>

- (3) annual report of the Company for the year ended 31 March 2021 dated 16 June 2021 (pages 138-275):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0722/2021072200455.pdf>

- (4) interim report of the Company for the six months ended 30 September 2021 dated 16 November 2021 (pages 23- 49)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1216/2021121600723.pdf>

2. WORKING CAPITAL

After taking into account of the Group's internally generated funds and cash flows impact arising from the Acquisition and the Transaction, in the absence of unforeseeable circumstances, the Directors are of the opinion that the Group has sufficient working capital for its present requirements 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.

3. STATEMENT OF INDEBTEDNESS

At the close of business on 30 November 2021, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Circular, the Group had lease liabilities amounting to approximately HK\$175,000 which were unsecured and unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 30 November 2021, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or any material contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS

The Company is an investment holding company and its subsidiaries are principally engaged in design, supply and installation of façade and curtain walls systems, with a focus on curtain walls, aluminium windows and doors. For the year ended 31 March 2021, the audited consolidated revenue and audited consolidated net profit for the year was HK\$536,009,000 and HK\$38,940,000 respectively. For the six months ended 30 September 2021, the unaudited consolidated revenue and net profit for the period was HK\$380,544,000 and HK\$21,800,000 respectively. As at 30 September 2021, the total amount of contracts on hand was HK\$1,242,000,000.

The Group will carefully operate its existing contracts on hand to provide customers with the highest quality products and services and also adopt a prudent approach when submitting tenders for new construction contracts to guard against any crisis that may happen in the future. As the Group currently maintains a net cash position and has sufficient outstanding contracts on hand, which is expected to bring stable revenue to the Group in the next two to three years, it is believed that as long as the Group carefully operates its construction contracts on hand, the Group will develop steadily and maximize shareholders' interests. Both the Transaction and the Acquisition represent good investment opportunities and will offer a better one-off potential return to the Group in the future.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date and to the best knowledge of the Directors, there was no material adverse change in the financial or trading position of the Group since 31 March 2021, being the date to which the latest published consolidated financial statements of the Group were made up.

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

**A. BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

Introduction

The following unaudited pro forma statement of assets and liabilities of the Company and its subsidiaries (collectively referred to as the “**Group**”) (“**Unaudited Pro Forma Financial Information**”), is prepared by the directors of the Company (the “**Directors**”) to illustrate the effect of the formation of a joint venture of the Company, Wealth King Ventures Limited (the “**JV Company**”) (the “**Transaction**”) and the acquisition of interest in a property located at No. 55 Nga Tsin Wai Road, Kowloon, Hong Kong by a wholly owned company of the JV Company, Trillion Wisdom Limited (the “**Project Company**”), (the “**Acquisition**”) as if the Transaction and the Acquisition had been completed on 30 September 2021. Details of the Transaction and the Acquisition are set out in the section headed “Letter from the Board” contained in this circular.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, for the purpose of illustrating the effect of the Transaction and the Acquisition pursuant to the terms of the shareholders deed and the sale and purchase agreement both dated 16 December 2021.

The Unaudited Pro Forma Financial Information is prepared based on the information on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2021, which has been extracted from the published interim report of the Company for the six months ended 30 September 2021 and after making pro forma adjustments relating to the Transaction and the Acquisition that are (i) directly attributable to the Transaction and the Acquisition and (ii) factually supportable, as if the Transaction and the Acquisition had been completed on 30 September 2021. The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates and uncertainties. Accordingly, because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Transaction and the Acquisition been completed as at 30 September 2021 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction of the historical financial information of the Group, as set out in the published interim report of the Company for the six months ended 30 September 2021, and other financial information included elsewhere in the circular.

UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE
GROUP

	The Group as at 30 September 2021	Pro forma Adjustments			Unaudited pro forma total for the Group
	HK\$'000 (unaudited) (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (unaudited)
Non-current assets					
Investment properties	30,400	-	-	-	30,400
Property, plant and equipment	127,432	-	-	-	127,432
Right-of-use assets	5,390	-	-	-	5,390
Deferred tax assets	1,345	-	-	-	1,345
Interest in a joint venture	-	-*	6,960	-	6,960
Loan to a joint venture	-	-	65,840	-	65,840
	<u>164,567</u>	<u>-</u>	<u>72,800</u>	<u>-</u>	<u>237,367</u>
Current assets					
Inventories	67,050	-	-	-	67,050
Debtors, deposits and prepayments	187,738	-	-	-	187,738
Contract assets	129,911	-	-	-	129,911
Bank balances and cash	164,614	-*	(72,800)	(1,350)	90,464
	<u>549,313</u>	<u>-</u>	<u>(72,800)</u>	<u>(1,350)</u>	<u>475,163</u>
Current liabilities					
Trade and other payables	73,623	-	-	-	73,623
Provisions	12,080	-	-	-	12,080
Contract liabilities	7,737	-	-	-	7,737
Tax payable	12,548	-	-	-	12,548
Lease liabilities	191	-	-	-	191
Deferred income	35	-	-	-	35
	<u>106,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,214</u>
Net current assets	<u>443,099</u>	<u>-</u>	<u>(72,800)</u>	<u>(1,350)</u>	<u>368,949</u>
Total assets less current liabilities	<u>607,666</u>	<u>-</u>	<u>-</u>	<u>(1,350)</u>	<u>606,316</u>
Non-current liabilities					
Provisions	63,927	-	-	-	63,927
Lease liabilities	23	-	-	-	23
Deferred income	90	-	-	-	90
	<u>64,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,040</u>
Net assets	<u>543,626</u>	<u>-</u>	<u>-</u>	<u>(1,350)</u>	<u>542,276</u>

* Less than HK\$1,000

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Notes:

- (1) The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2021 as set out in the published interim report of the Company for the six months ended 30 September 2021.
- (2) The adjustment represents the completion of share subscription of one share in the JV Company, representing 50% of its enlarged issued share capital for a nominal subscription price of US\$1 (equivalent to approximately HK\$7.8), by KLT II Holdings (BVI) L.P. (the “**JV Partner**”) on 16 December 2021. The JV Company was incorporated by the Group in November 2021 as an investment holding company and both the JV Company and its subsidiaries (including the Project Company) have no operation and no significant assets and liabilities on the date of share subscription. Upon the completion of the share subscription, the JV Company ceased to be a subsidiary of the Company and is accounted for as a joint venture of the Group.
- (3) The adjustments represent an unsecured and interest-free shareholder’s loans based on the pro-rata interest in the JV Company with principal amount totalling HK\$72,800,000 to be provided by the Group for covering, among other items, consideration payable for and costs of the Acquisition, costs related to bank financing and reserved funds for construction costs and general working capital of the Project Company. The shareholder’s loans were discounted by considering the repayment period estimated by the management and the prevailing market rate of interest for similar instruments and difference of HK\$6,960,000 between the fair value of the shareholder’s loans at the initial recognition amounting to HK\$65,840,000 and the principal amount of HK\$72,800,000 would have been recognised as the interest in a joint venture. The JV Company will finance its operation by way of external financing first and, if such third-party financing cannot be obtained, unsecured shareholder’s loans provided by the Group and the JV Partner on a pro-rata and interest-free basis. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the Project Company would have settled the consideration of HK\$195,000,000 for the Acquisition under the sale and purchase agreement dated 16 December 2021 by a combination of shareholder’s loans from the Group and the JV Partner and bank financing if the Acquisition had been completed on 30 September 2021.
- (4) The adjustment represents total transaction costs (including professional fees to legal adviser, financial adviser, reporting accountants, properties valuer and other expenses) of approximately HK\$1,350,000 to be borne by the Group. The expenses are charged to profit or loss directly and assumed would have been settled by cash if the Acquisition had been completed on 30 September 2021.
- (5) No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2021.

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

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

Deloitte.

德勤

**Independent Reporting Accountants' Assurance Report on the Compilation of
Unaudited Pro Forma Financial Information**

To the Directors of Million Hope Industries Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Million Hope Industries Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 September 2021 and related notes as set out on pages II-1 to II-3 of the circular issued by the Company dated 24 January 2022 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-3 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the major transactions in relation to formation of joint venture (the "Transaction") and acquisition of interest in the property (the "Acquisition") on the Group's financial position as at 30 September 2021 as if the Transaction and the Acquisition had taken place at 30 September 2021. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's condensed consolidated financial statements for the six months ended 30 September 2021, on which a review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

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

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

Reporting Accountants' Responsibilities

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

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

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

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2021 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong, 24 January 2022

The following is the text of a letter and a valuation report prepared by Colliers International (Hong Kong) Limited, an independent valuer, in connection with its valuation as at 31 December 2021 of the subject property, for inclusion in this circular. The terms defined in this appendix apply to this appendix only.

Colliers International (Hong Kong) Limited

Valuation & Advisory Services

Company Licence No: C-006052



Suite 5701 Central Plaza
18 Harbour Road
Wanchai
Hong Kong

24 January 2022

The Directors**Million Hope Industries Holdings Limited**

Unit A, 20/F

Kings Wing Plaza 1

No. 3 On Kwan Street

Sha Tin, New Territories

Hong Kong

Dear Sirs,

Re: Valuation of No. 55 Nga Tsin Wai Road, Kowloon, Hong Kong (New Kowloon Inland Lot No. 3771) (the “**Property**”)

TERMS OF ENGAGEMENT

We refer to the instruction received from Million Hope Industries Holdings Limited (the “**Company**”) requiring us to conduct a market valuation of the Property. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property, as at 31 December 2021 (the “**Valuation Date**”) for public disclosure purpose in relation to the acquisition of the Property.

VALUATION STANDARDS

Our assessment is prepared in strict accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors (“**HKIS**”) and the latest edition of RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors (“**RICS**”), adopting and applying the latest edition of International Valuation Standard Council (IVSC) valuation standards, if applicable. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards. We have also complied with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation of the property interest is made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

We would point out that the valuation presented in this report represent 100% interest of the Property and not the shareholdings within by the Company or its related, associated or subsidiary companies.

Colliers International (Hong Kong) Limited is regulated by the RICS and all necessary investigations, inspections, and other work carried out for the purpose of this assignment will meet its standards. The RICS monitors regulated firms under its Conduct and Disciplinary regulations. For your further information, Colliers International (Hong Kong) Limited maintains a complaint handling procedure, a copy of which is available on request. The Valuation and Advisory Services Department of Colliers International (Hong Kong) Limited is accredited by Lloyd’s Register Quality Assurance Limited under ISO 9001:2015.

VALUATION ASSUMPTIONS

Our valuation of the Property has been made on the following assumptions:

- No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses or taxation which may be incurred in effecting a sale. 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.
- It is assumed that any land premium or other fees payable for the acquisition, transfer, sale, letting or mortgage of the Property have been fully paid and settled.

- 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.
- We have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the government lease and/or land grant, in accordance with the terms of the lease/or the land grant.
- We are not aware of any easements or rights of way affecting the Property and have assumed that none exists.
- We have assumed that all information, estimates and opinions furnished to us and contained in this report including all information provided by the Company, are true and correct, fit for valuation purposes, and from reliable sources. We can assume no responsibility for accuracy.
- We have not carried out any detailed site measurements to verify the correctness of areas, nor have we tested any of the services and facilities. We have assumed that the areas shown on the documents provided to us are correct and that the services and facilities are in good working order.
- We have assumed that the Property is free from any contamination and environmental problems or hazards.
- We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all relevant laws, ordinances and statutory requirements.
- We have assumed that for any use of the Property upon which this valuation report is based, any and all required licences, permits, certificates, and authorisations have been obtained and are ordinarily renewable.
- We have assumed that the Property is structurally sound, in a good state of repair and maintained in a condition fit for purpose.
- We have assumed current tenancies (if any) are of good covenant and will run their full terms at the current contracted rental levels.
- We have assumed vacant possession of the Property would be available as at the Valuation Date and development could be proceeded immediately.
- We have assumed that the proposed development scheme provided by the Company could be approved and that the Property could be developed in accordance with the provided scheme.

- We have assumed that the current planned development scheme would be completed in a timely manner in accordance with statutory approvals received and anticipated and that there would be no major adverse factors affecting the construction programme.
- We have assumed no abnormal site conditions that would result in delays or an abnormal increase in development costs.

VALUATION APPROACHES AND METHODS

We have adopted the market approach and residual method for our valuation of the Property.

The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. In analysing such sales, which qualify as arm's length transactions between willing buyers and sellers, adjustments are made to reflect differences between the comparables and the subject of this valuation in matters such as transaction dates, size, location, quality, age and amenities and any other relevant factors, to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence is available.

The residual method is a mean of valuing assets, land, or properties by reference to their development potential. The value is the residue of the Gross Development Value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit.

MEASUREMENTS

All area measurements have been carried out in accordance with the "Code of Measuring Practice" booklet published by the HKIS. We declare our departure from the "RICS property measurement" published by RICS in May 2015 in order to suit the local practice. Unless otherwise stated, we have not conducted on-site area measurements of the Property or verified the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the registered floor plans if available.

INSPECTIONS, INVESTIGATIONS AND SOURCES OF INFORMATION

External inspection of the Property and the surrounding environment, befitting this valuation, was undertaken by Mr. Eric Tsang, MRICS, MHKIS, MCIREA & RPS(GP), Senior Director, Ms. Bonny Yu, MRICS, MHKIS, Manager and Mr. Peter Pang, Senior Valuer of our department on 5 January 2022.

We have obtained relevant information available from public domain including the Land Registry and the Buildings Department and have accepted advice given to us on matters such as statutory notices, planning approvals, easements, floor plans, floor areas, tenure, particulars of occupancy and all other relevant matters. We have assumed that all information provided to us is correct. However, should it be established subsequently that the details relating to the property interest is incorrect, we reserve the right to adjust the value reported herein.

We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation.

No on-site measurements have been taken to verify the correctness of site areas. We have assumed that the site areas shown on documents provided to/obtained by us are correct.

No structural or environmental surveys have been carried out. Services and facilities have not been tested.

We have made enquiries at the Land Registry for the Property, but we have not searched the original documents nor verified the existence of any amendments, which do not appear in the documents available to us.

All legal documents disclosed in this letter and the valuation particulars are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the Property set out in this letter and the valuation particulars.

PLANT AND MACHINERY

Our valuation normally includes all plant and machinery that form part of the building services installations. However, plant, machinery and equipment, which may have been installed wholly in connection with the occupier's industrial and commercial uses, together with furniture and furnishings, tenant's fixtures and fittings, are excluded in our valuation.

CURRENCY

All monetary figures stated in this report are in Hong Kong dollars (HKD).

THE VALUERS

The valuation has been prepared by Mr. Eric Tsang, Senior Director and assisted by Ms. Bonny Yu, Manager under the supervision of Ms. Dorothy Chow, Executive Director of our department.

Ms. Dorothy Chow is a fellow of the Royal Institution of Chartered Surveyors, a fellow of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in the Hong Kong Special Administrative Region. Mr. Eric Tsang 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) under the Surveyors Registration Ordinance (Cap. 417) in the Hong Kong Special Administrative Region. Ms. Bonny Yu is a member of the Royal Institution of Chartered Surveyors and a member of the Hong Kong Institute of Surveyors. The valuers are suitably qualified to carry out the valuation and have sufficient experience in the valuation of properties of this magnitude and nature.

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

CAVEATS AND ASSUMPTIONS

This report is subject to and includes our standard caveats and assumptions set out at the end of this report.

This report is for public disclosure purpose in relation to the acquisition of the Property only. Neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement without written consent of Colliers International (Hong Kong) Limited of the form and context in which it will appear.

Our valuation of the Property is set out in the Valuation Particulars attached hereto, which together with this covering letter, form our valuation report.

Yours faithfully,

For and on behalf of

Colliers International (Hong Kong) Limited

Dorothy Chow

MSc FRICS FHKIS MCIREA RPS(GP)

Executive Director

Valuation and Advisory Services – Asia

Note: Ms. Dorothy Chow, FRICS FHKIS MCIREA RPS(GP), is a qualified general practice surveyor and has over 23 years of experience in the valuation of properties in Hong Kong.

VALUATION PARTICULARS

Property	Description and Tenure	Particulars of Occupancy	Market Value of Property as at 31 December 2021
No. 55 Nga Tsin Wai Road, Kowloon, Hong Kong	<p>The Property is located at the rear of Swatow Baptist Church, at the junction of Nga Tsin Wai Road and Inverness Road in Kowloon Tong. It is accessible via a right of way branching off Nga Tsin Wai Road.</p> <p>The Property is a 3-storey detached house completed in 1951. Vertical circulation is facilitated by 1 passenger lift and 2 staircases.</p> <p>As quoted from the building plan approved on 22 April 1994, total gross floor area of the Property is about 9,303 sq.ft. (864.3 sq m).</p> <p>The registered site area of the Property is approximately 8,092 sq.ft. (751.8 sq.m.).</p> <p>The Lot is held under Government Lease for a term of 75 years renewable for 24 years less the last 3 days commencing from 1 July 1898. The term has been statutorily renewed to expire on 30 June 2047. The property is subject to an annual government rent equal to 3% of its prevailing rateable value.</p>	As noted from our external inspection, the Property was vacant as at the date of inspection.	HKD203,000,000 (Hong Kong Dollars Two Hundred and Three Million)

Notes:

- (1) The ownership particulars of the Property and interest valued are as follows:
- | | | |
|--------------------|---|--|
| Lot Numbers | : | New Kowloon Inland Lot No. 3771 |
| Lease Terms | : | Held under Government Lease for a term of 75 years renewable for 24 years less the last 3 days commencing from 1 July 1898. The term has been statutorily renewed to expire on 30 June 2047. |
| Registered Owner | : | Law Ronald Kai Yee (Executor) registered vide Memorial No. 21102702110012 dated 28 July 2021. |
| Major Encumbrances | : | Mortgage in favour of Law Principal Investments, Ltd. to Secure All Moneys in respect of General Credit Facilities dated 28 December 2015 vide Memorial No. 16011301790018. |
- (2) The Property falls within an area zoned as “Residential (Group C) 9” under the Kowloon Tong Outline Zoning Plan No. S/K18/21 approved on 5 December 2017.
- (3) Under the town planning restriction, no new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of a maximum plot ratio of 3.0 and a maximum building height of 8 storeys, or the plot ratio and the height of the existing building, whichever is the greater.
- (4) As per the Government Lease of New Kowloon Inland Lot No. 3771, the Lot is subject to the following restrictions:
- Enjoy a free and uninterrupted right to pass and repass on along over by and through that portion of New Kowloon Inland Lot No.3765 (now known as New Kowloon Inland Lot No.6163 via Conditions of Exchange No. UB12148)
 - Non-offensive trades clause
 - Erect or maintain on the said piece or parcel of ground one detached house of European type with all usual outbuildings thereto and comprising not more than three residences
 - Obtain special approval to the design disposition and height of any building erected or to be erected on the said piece of parcel of ground
 - In no case will the height of any building exceed thirty five feet
- (5) We are given to understand that the Company is planning to redevelop the Property into a 3-storey private residential development with car parking provision. As advised by the Company, the estimated development costs including professional fees for the redevelopment of the Property would be in the region of about HKD100 million.
- (6) We have considered both the existing use value and redevelopment value of the Property as at the Valuation Date. We are of the opinion that the market value of the Property as at the Valuation Date lies in its redevelopment value.

Caveats and Assumptions**1. DEFINITIONS**

In these Caveats and Assumptions, the following words or phrases shall have the meaning or meanings set out below:

‘Confidential Information’ means information that:

- (a) Is by its nature confidential.
- (b) Is designed by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.

‘Currency Date’ means, in relation to any valuation report, the date as at which Our professional opinion is stated to be current.

‘Fee’ means the amount agreed to be paid for the Services as set out in the Quotation.

‘Parties’ means You or Us as the context dictates.

‘Quotation’ means the written quote provided by Us in relation to the Services.

‘Services’ means the valuation services provided pursuant to these Terms and Conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

‘The Property’ means the assets which are subject of Our appointment as Your advisor.

‘We’, ‘Us’, ‘Our’, ‘Colliers’ means Colliers International (Hong Kong) Limited.

‘You’, ‘Your’, ‘Client’ means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to Us even though such instructions were given as agent for another.

‘Professional Property Practice Standards’ refers to RICS Valuation and Appraisal Handbook, or appropriate standards.

2. PERFORMANCE OF SERVICES

2.1 We have provided the Services in accordance with:

- (a) The Terms and Conditions contained herein; or
- (b) As specifically instructed by You for the purpose of the Services; and
- (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

3.1 No allowance has been made in Our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. 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, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do We render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and Our valuation assumes that none exists.

3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.

3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by Us.

3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to Us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the Property is compliant with all relevant environmental laws. It is Your responsibility to provide reports to Us that are relevant to these issues.

3.6 An external inspection has been made; no detailed on site measurements have been taken.

- 3.7 While due care is exercised in the course of Our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the Property that are unexposed or inaccessible.
- 3.8 None of the services have been tested by Us and We are unable therefore to report on their present condition, but will presume them to be in good working order.
- 3.9 We have not undertaken a detailed inspection of any plant and equipment or obtained advice on its condition or suitability.
- 3.10 We recommend that You engage appropriately qualified persons to undertake investigations excluded from Our Services.
- 3.11 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the Property.

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained only verbal town planning information. It is Your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, Our inspection of the site did not reveal any contamination or pollution affectation, and Our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show the site is contaminated, Our valuation may require revision.

5. BUILDING AREAS AND LETTABLE AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If You do not provide Us with a survey, We will estimate building and/or lettable areas based only upon available secondary information (including but not limited to building plans, deposited plans, and Our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.

5.3 Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

6.1 Unless otherwise notified by You, We will assume:

(a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the Title.

(b) All licences and permits.

6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural/dilapidation reports), We will rely upon the apparent expertise of such experts/specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.

6.3 Our services are provided on the basis that the Client has provided Us with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.

6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.

6.5 The study of possible alternative development options and the related economics are not within the scope of this report.

6.6 Our opinion about the Market Value of the Property is free from any influence and/or point of views of any other parties.

7. VALUATION FOR FIRST MORTGAGE SECURITY

7.1 Where the Services are provided for mortgage purposes, You agree that You will not use the valuation report where the Property:

(a) Is used as security other than by first registered mortgage;

(b) Is used as part of a group of securities (except where the Property forms part of a trust); or

(c) Is used as security for more than one loan.

7.2 We reserve the right, at Our absolute discretion, to determine whether or not to assign Our valuation to any third party. Without limiting the extent of Our discretion, We may decline a request for assignment where:

(a) The proposed assignee is not a major recognised lending institution (such as a major bank);

(b) The assignment is sought in excess of 3 months after the date of valuation;

(c) We consider that there has been a change in conditions which may have a material impact on the value of the Property;

(d) The proposed assignee seeks to use the valuation for an inappropriate purpose (including in a manner inconsistent with Your agreement at Clause 7.1); or

(e) Our fee has not been paid in full.

7.3 Where We decline to provide an assignment on either of the basis at 7.2(b) or (c), We may be prepared to provide an updated valuation on terms to be agreed at that time.

7.4 In the event that You request Us to assign Our valuation and We agree to do so, You authorize Us to provide to the assignee a copy of these Terms and Conditions, the Quotation and any other document, including instructions provided by You, relevant to the scope of Our Services.

8. ESTIMATED SELLING PRICE

8.1 Where You instruct Us to provide an Estimated Selling Price, You agree that the Services:

(a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.

(b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of Title(s) or other enquiries as to encumbrances, restrictions or impediments on Title(s); or other investigations which would be required for a formal valuation.

(c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.

8.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an Estimated Selling Price.

9. CURRENCY OF VALUATION

9.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.

9.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.

9.3 Without limiting the generality of 9.2, You should not rely upon Our valuation:

- (a) After the expiry of 3 months from the Currency Date;
- (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

10. MARKET PROJECTIONS

10.1 Any market projections incorporated within Our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.

10.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.

10.3 Where market projections form part of Our Services, We draw Your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.

11. YOUR OBLIGATIONS

11.1 You warrant that the instructions and subsequent information supplied by You contain a full and frank disclosure of all information that is relevant to Our provision of the Services.

- 11.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 11.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 11.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. Such consent will be provided at Our absolute discretion and on such conditions as We may require including that a copy of these Terms and Conditions be provided to such third party. This clause shall not apply to persons noted as recipients in Your prior instruction to Us or in the Quotation provided that You shall provide any such recipient with a copy of these Terms and Conditions.
- 11.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
- 11.6 If You release any part of the valuation advice or its substance without written consent, You agree: a) to inform the other person of the terms of Our consent; and b) to compensate Us if You do not do so. We have no responsibility to any other person even if that person suffers damage as a result of any other person receiving this valuation.

12. CONFIDENTIALITY

- 12.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose outlined in Our agreement for internal reference purposes, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless We have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference there to may be included in any document, circular or statement nor published in any way without Our written approval of the form and context in which it may appear.

12.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.

12.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.

12.4 Unless otherwise directed in writing by Client, Colliers retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

13. PRIVACY

13.1 We may obtain personal information about You in the course of performing Our Services. We respect Your privacy and advise You that We will only obtain information that is necessary to assist Us in the course of performing Our Services. If it is necessary for Us to engage third parties, We will inform these parties that they are not to disclose any personal information about You to any person or organization other than Us.

14. SUBCONTRACTING

14.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these Terms and Conditions, with Your consent.

15. LIMITATION OF COLLIERS LIABILITY

15.1 To the extent permissible under applicable laws, in no event shall Colliers be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.

15.2 All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers. Notwithstanding this, Colliers reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.

15.3 Colliers, or any employee of Ours shall not be required to give testimony or to appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and We are properly reimbursed.

15.4 We are free from any possible legal and/or non-legal issue which may attach to the Property's title documents.

16. ENTIRE AGREEMENT

16.1 No further agreement, amendment or modification of these Terms and Conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.

16.2 If there is inconsistency between these Terms and Conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.

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

(a) Directors' Interests

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

(i) Long positions in the Shares

Name	Capacity	Number of Shares held	Total number of Shares held	Approximate percentage of issued share capital (Note v)
Wong Sue Toa, Stewart	Beneficial owner	16,313,054	23,346,637	5.54%
	Interest of controlled corporation	1,708,389 (Note i)		
	Interest of spouse	5,325,194 (Note ii)		
Cha Mou Daid, Johnson	Beneficial owner	3,585,400	219,409,017	52.12%
	Beneficiary of discretionary trusts	215,823,617 (Note iii)		

Name	Capacity	Number of Shares held	Total number of Shares held	Approximate percentage of issued share capital (Note v)
Chung Sam Tin, Abraham	Beneficial owner	93,854	93,854	0.02%
Tai Sai Ho	Beneficial owner	8,590,288	8,590,288	2.04%
Chuk Kin Lun	Beneficial owner	2,133,600	2,452,032	0.58%
	Interest of spouse	318,432 (Note iv)		
Lee Cheuk Hung	Beneficial owner	560,000	560,000	0.13%
Wong Kin	Beneficial owner	800	800	0.0001%
Ho Richard Yan Ki	Beneficial owner	436,000	436,000	0.10%
Poon Kan Young	Beneficial owner	436,000	436,000	0.10%
Yip Kai Yung	Beneficial owner	436,000	436,000	0.10%

Notes:

- (i) Mr. Wong Sue Toa, Stewart's corporate interests in the Company arise from the fact that he owns 50% of the share capital of Executive Plaza Limited, which holds 1,708,389 Shares.
- (ii) These Shares are held by Ms. Wong Lui Kwok Wai, the wife of Mr. Wong Sue Toa, Stewart.
- (iii) These Shares are held under certain but not identical discretionary trusts, of which Mr. Cha Mou Daid, Johnson is among the members of the classes of discretionary beneficiaries.
- (iv) These Shares are held by Ms. Siu Lai Ping, the wife of Mr. Chuk Kin Lun.
- (v) The percentage is calculated based on the total number of issued Shares of the Company as at the Latest Practicable Date (i.e. 420,923,630 Shares).

(ii) Share options granted to the Directors pursuant to the share option scheme adopted by the Company on 25 August 2020

Name	Date of grant	Exercise price per Share	Exercise period (Note i)	Number of share options	Approximate percentage of issued share capital (Note ii)
Chung Sam Tin Abraham	9.10.2020	HK\$0.59	09.10.2020 to 08.10.2025	327,000	0.07%
Chuk Kin Lun	9.10.2020	HK\$0.59	09.10.2020 to 08.10.2025	945,000	0.22%
Lee Cheuk Hung	9.10.2020	HK\$0.59	09.10.2020 to 08.10.2025	1,745,000	0.41%
Wong Kin	9.10.2020	HK\$0.59	09.10.2020 to 08.10.2025	506,000	0.12%
Chau On Ta Yuen	9.10.2020	HK\$0.59	09.10.2020 to 08.10.2025	87,000	0.02%

Notes:

- (i) The share options vested immediately on the date of grant.
- (ii) The percentage is calculated based on the total number of issued Shares of the Company as at the Latest Practicable Date (i.e. 420,923,630 Shares).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates held any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' Interests

So far as is known to each Director or the chief executive of the Company, as at the Latest Practicable Date, the following persons or entities, other than a Director or the chief executive of the Company, had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

(i) Long positions in the Shares

Name	Capacity	Number of Ordinary Shares held	Approximate percentage of issued share capital (Note vi)
CCM Trust	Trustee	195,104,050 (Note i)	46.35%
	Interest of controlled corporations		
Mingly Corporation ("Mingly")	Beneficial owner	41,720,554 (Note ii)	9.91%
	Interest of controlled corporations		
CCM Capital Corporation ("CCM Capital")	Beneficial owner	31,569,744 (Note ii)	7.50%
LBJ	Trustee	27,131,828 (Note iii)	6.44%
	Interest of controlled corporation		
David Michael Webb	Beneficial owner	26,350,399 (Note iv)	6.26%
	Interest of controlled corporation		
Wong Lui Kwok Wai	Beneficial owner	23,346,637 (Note v)	5.54%
	Interest of controlled corporation		

Notes:

- (i) These share interests comprise 153,383,496 Shares directly held by CCM Trust and 41,720,554 Shares held indirectly through Mingly and its wholly-owned subsidiaries. CCM Trust is interested in 87.5% equity interest in Mingly. CCM Trust is holding the 153,383,496 Shares as the trustee of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alios, Mr. Cha Mou Daid, Johnson, being the director of the Company) are among the discretionary objects.
- (ii) These share interests comprise 1,493,170 Shares directly held by Mingly and 31,569,744 Shares and 8,657,640 Shares held indirectly through CCM Capital and Mingly Asia Capital Limited, respectively. CCM Capital and Mingly Asia Capital Limited are direct wholly-owned subsidiaries of Mingly. Mr. Cha Mou Daid, Johnson is also a non-executive director of Mingly and a director of CCM Capital.
- (iii) These share interests comprise 24,409,172 Shares directly held by LBJ and 2,722,656 Shares held indirectly through Bie Ju Enterprises Limited, its wholly-owned subsidiary. LBJ is holding the 24,409,172 Shares as the trustee of certain but not identical discretionary trusts of which members of the Cha Family (comprising, inter alios, Mr. Cha Mou Daid, Johnson, being the director of the Company) are among the discretionary objects. Mr. Cha Mou Daid, Johnson is also a director of LBJ.
- (iv) These share interests comprise 11,512,732 Shares directly held by Mr. David Michael Webb and 14,837,667 Shares held indirectly through Preferable Situation Assets Limited, which is a direct wholly-owned subsidiary of Mr. David Michael Webb.
- (v) Ms. Wong Lui Kwok Wai is the wife of Mr. Wong Sue Toa, Stewart and is deemed under the SFO to be interested in 16,313,054 Shares beneficially owned by her spouse. Ms. Wong is personally interested in 5,325,194 Shares and owns 50% equity interest in Executive Plaza Limited which is holding 1,708,389 shares of the Company.
- (vi) The percentage is calculated based on the total number of issued Shares of the Company as at the Latest Practicable Date (i.e. 420,923,630 Shares).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company was aware of any other person, other than a Director or the chief executive of the Company, who had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation).

4. DIRECTORS' INTERESTS IN THE ASSETS, CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any assets which have, since 31 March 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, none of the Directors or any of their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

6. LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration 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.

7. QUALIFICATION AND CONSENT OF EXPERTS AND EXPERTS' INTERESTS

The following are the qualifications of the experts who have given opinion or advice which are contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
Colliers International (Hong Kong) Limited	Independent professional property valuer

As at the Latest Practicable Date, each of the experts referred to above has:

- (a) no shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) no interest, direct or indirect, in any assets which have been, since 31 March 2021 (being the date to which the latest published audited consolidated financial statements of the Group 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.

Each of the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name included herein in the form and context in which they appear.

8. MATERIAL CONTRACTS

There are no contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular and which are, or may be, material.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (<http://www.millionhope.com.hk>) for a period of 14 days from the date of this circular:

- (a) Shareholders Deed;
- (b) Sale and Purchase Agreement;
- (c) the report on the unaudited pro forma financial information of the Group (as defined in Appendix II) prepared by Deloitte Touche Tohmatsu as set out in Appendix II to this circular;
- (d) the valuation report on the Property prepared by Colliers International (Hong Kong) Limited as set out in Appendix III to this circular; and
- (e) the written consents referred to in the paragraph headed "Qualification and Consent of Experts and Experts' Interests" in this Appendix.

10. MISCELLANEOUS

- (a) the registered office of the Company is located at Maples Corporate Services Limited, P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands;
- (b) the principal place of business of the Company is located at Office A, 20th Floor, Kings Wing Plaza 1, 3 On Kwan Street, Shek Mun, Shatin, New Territories, Hong Kong;
- (c) the Company's Hong Kong branch share registrar is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong;
- (d) the company secretary of the Company is Mr. Kwok Wing Fai. He graduated from The Hong Kong Polytechnic University with a bachelor degree in accountancy and from The Chinese University of Hong Kong with a master degree in accountancy. He is a Fellow Chartered and Certified Accountant of ACCA and a member of The Hong Kong Institute of Certified Public Accountant; and
- (e) the English text of this circular prevails over the Chinese text in case of inconsistency.