
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wah Ha Realty Company Limited, you should at once hand this Composite Document together with the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the provisions of which form part of the terms and conditions of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

GOOD VISION DEVELOPMENT LIMITED

高偉發展有限公司

(Incorporated in Hong Kong with limited liability)



WAH HA REALTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 278)

COMPOSITE DOCUMENT IN RELATION TO VOLUNTARY UNCONDITIONAL CASH OFFER BY EDDID CAPITAL LIMITED AND MAXA CAPITAL LIMITED ON BEHALF OF GOOD VISION DEVELOPMENT LIMITED FOR ALL THE ISSUED SHARES IN WAH HA REALTY COMPANY LIMITED HELD BY THE OFFER SHAREHOLDERS

Joint Financial Advisers to the Offeror in relation to the Offer



Eddid Capital Limited



Maxa Capital Limited

Independent Financial Adviser to the Independent Board Committee



Grande Capital Limited

Holders of the Offer Shares should inform themselves of and observe any applicable legal or regulatory requirements. See "Important Notice" beginning on page iv of this Composite Document.

Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document. A letter from the Joint Financial Advisers containing, among other things, details of the terms and conditions of the Offer is set out on pages 6 to 18 of this Composite Document. A letter from the Board is set out on pages 19 to 23 of this Composite Document. A letter from the Independent Board Committee containing its recommendations to the Offer Shareholders in respect of the Offer is set out on pages 24 and 25 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Offer Shareholders in respect of the Offer is set out on pages 26 to 55 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in "Appendix I – Further Terms and Procedures for Acceptance of the Offer" to this Composite Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar, Hongkong Managers and Secretaries Limited at Units 1607-8, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong by no later than 4:00 p.m. (Hong Kong time) on Wednesday, 17 May 2023 or such later time(s) and/or date(s) as the Offeror may decide and announce, with the consent of the Executive, in accordance with the requirements of the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "7. Overseas Offer Shareholders" in the letter from the Joint Financial Advisers in this Composite Document before taking any action. It is the responsibility of each Overseas Offer Shareholder wishing to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes or other required payments due in respect of such jurisdiction. Overseas Offer Shareholders are advised to seek professional advice on deciding whether to accept the Offer. This Composite Document will appear on the Stock Exchange website at <http://www.hkex.com.hk> and the Company's website at <http://www.wahha.com> as long as the Offer remains open.

This Composite Document and the accompanying Form of Acceptance may not be released into or distributed directly or indirectly in the United States of America or any other jurisdiction where such release or distribution might be unlawful.

26 April 2023

CONTENTS

	<i>Page</i>
Expected Timetable	ii
Important Notice	iv
Definitions	1
Letter from the Joint Financial Advisers	6
Letter from the Board	19
Letter from the Independent Board Committee	24
Letter from the Independent Financial Adviser	26
Appendix I – Further Terms and Procedures for Acceptance of the Offer	I-1
Appendix II – Financial Information of the Group	II-1
Appendix III – Property Valuation of the Group	III-1
Appendix IV – General Information of the Offeror	IV-1
Appendix V – General Information of the Group	V-1

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event that there is any change to the following timetable as and when appropriate.

Despatch date of this Composite Document and
the accompanying Form of Acceptance Wednesday, 26 April 2023

Offer open for acceptance Wednesday, 26 April 2023

Closing Date of the Offer (*Notes 1 and 4*) Wednesday, 17 May 2023

Latest time and date for acceptance of the Offer on
the Closing Date (*Notes 2 and 4*) 4:00 p.m.
on Wednesday, 17 May 2023

Announcement of the results of the Offer as at
the Closing Date to be posted on the website of the Stock Exchange no later than
7:00 p.m.
on Wednesday, 17 May 2023

Latest date for posting of remittances for the amounts
due in respect of valid acceptances received under
the Offer on or before 4:00 p.m. on the Closing Date
(*Notes 3 and 4*) Monday, 29 May 2023

Notes:

- (1) The Offer, which is unconditional in all respects, will close for acceptance at 4:00 p.m. on Wednesday, 17 May 2023 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). The Offeror will issue an announcement in relation to any extension of the Offer no later than 7:00 p.m. on Wednesday, 17 May 2023, which announcement will state the next Closing Date.
- (2) If you wish to accept the Offer, you should ensure your duly completed and signed Form of Acceptance and the relevant documents arrive at the Registrar by no later than the prescribed time. If you choose to deliver the documents by post, you should consider the timing requirements for postage. Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptances of the Offer are irrevocable and are not capable of being withdrawn, except in the circumstances as set out in the section headed “Right of Withdrawal” on page I-7 of Appendix I to this Composite Document.
- (3) Remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty in respect of acceptances of the Offer) payable for the Offer Shares tendered under the Offer will be despatched to those Offer Shareholders accepting the Offer (to the address specified on the relevant Form of Acceptance) by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid.

EXPECTED TIMETABLE

- (4) If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning: (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and the latest date for the posting of remittances will remain on the same Business Day; and (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m. and the posting of remittances will be the next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Save as disclosed above, if the latest time for acceptance of the Offer does not take effect on the date and at the time stated above, other dates mentioned in the expected timetable above may be affected. The Offeror and the Company will notify Shareholders by way of announcement(s) of any change to the expected timetable as soon as possible.

All time and date references contained in this Composite Document and the accompanying Form of Acceptance are to Hong Kong time and date.

IMPORTANT NOTICE

NOTICE TO OFFER SHAREHOLDERS OUTSIDE HONG KONG

The making of the Offer to the Offer Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdiction. Such Offer Shareholders may be prohibited or affected by the laws of the relevant jurisdiction and it is the responsibility of each such Offer Shareholder who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Offer Shareholder in such jurisdiction. The Offeror, the Offeror Concert Parties, the Company, the Joint Financial Advisers, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other persons involved in the Offer shall be entitled to be fully indemnified and held harmless by such Offer Shareholder for any taxes as such Offer Shareholder may be required to pay. Such Offer Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. Please refer to the section headed “7. Overseas Offer Shareholders” in the “Letter from the Joint Financial Advisers” in this Composite Document.

This Composite Document and the accompanying Form of Acceptance may not be released into or distributed directly or indirectly in the United States of America or any other jurisdiction where such release or distribution might be unlawful.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. All statements other than statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation and do not intend to update these forward-looking statements, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Adjusted NAV”	adjusted unaudited consolidated net asset value of the Group as set out in the section headed “4. Property Interests and Adjusted Net Asset Value” in “Appendix II – Financial Information of the Group” to this Composite Document
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	the day(s) on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Cheung Brothers”	Mr. KW Cheung, Mr. LW Cheung and Mr. YW Cheung, the controlling shareholders of the Company
“Closing Date”	17 May 2023, being the first closing date of the Offer, which is 21 days after the date on which this Composite Document is posted, or if the Offer is revised or extended, any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Wah Ha Realty Company Limited (華廈置業有限公司), a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 278)
“Composite Document”	this composite offer and response document jointly issued and despatched by the Offeror and the Company to all the Shareholders in connection with the Offer in compliance with the Takeovers Code
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“C S Surveyors” or “Valuer”	C S Surveyors Limited, the independent property valuer appointed by the Company
“Director(s)”	director(s) of the Company
“Eddid Capital”	Eddid Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in relation to the Offer
“Executive”	the executive director of the Corporate Finance Division of the SFC or any of his delegates
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer accompanying this Composite Document
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Humphrey Group”	Humphrey Group Limited (堪富利集團有限公司), a company incorporated in the BVI with limited liability, all issued shares of which are directly held by Biochoice Limited which, in turn, is owned by Mr. KW Cheung, his spouse and their two children in equal shares
“Independent Board Committee”	the independent committee of the Board, comprising the sole non-executive Director and all the independent non-executive Directors, namely, Messrs. Ng Kwok Tung, Chan Woon Kong, Chan Wing Tat and Kok Lap Seng, established by the Board to make a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer

DEFINITIONS

“Independent Financial Adviser” or “Grande Capital”	Grande Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Offer Shareholders in relation to the Offer
“Investor Participant(s)”	person(s) admitted to participate in CCASS as investor participant(s)
“Joint Announcement”	the announcement dated 13 March 2023 jointly issued by the Offeror and the Company in relation to, among other things, the Offer
“Joint Financial Advisers”	Eddid Capital and Maxa Capital, being the joint financial advisers to the Offeror in relation to the Offer
“Last Trading Day”	14 September 2022, being the last trading day prior to the date of suspension of trading in the Shares on the Stock Exchange at 9:00 a.m. on 15 September 2022 before the issuance of the Joint Announcement
“Latest Practicable Date”	21 April 2023, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Division”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maxa Capital”	Maxa Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in relation to the Offer
“Mr. KW Cheung”	Mr. Cheung Kee Wee (鍾棋偉), an executive Director, a director and shareholder of the Offeror, being brother of Mr. LW Cheung and Mr. YW Cheung

DEFINITIONS

“Mr. LW Cheung”	Mr. Cheung Lin Wee (鍾仁偉), an executive Director, a director and shareholder of the Offeror, being brother of Mr. KW Cheung and Mr. YW Cheung
“Mr. YW Cheung”	Mr. Cheung Ying Wai, Eric (鍾英偉), an executive Director, a director and shareholder of the Offeror, being brother of Mr. KW Cheung and Mr. LW Cheung
“Offer”	the voluntary unconditional cash offer made by the Joint Financial Advisers on behalf of the Offeror for all the issued Shares held by the Offer Shareholders at the Offer Price
“Offer Period”	has the meaning ascribed to it under the Takeovers Code, being the period commencing on the date of the Joint Announcement up to and including the Closing Date
“Offer Price”	the price per Offer Share at which the Offer will be made in cash, being HK\$6.00 per Offer Share
“Offer Share(s)”	issued Share(s) held by the Offer Shareholder(s)
“Offer Shareholder(s)”	Shareholder(s) other than the Cheung Brothers and Humphrey Group
“Offeror”	Good Vision Development Limited (高偉發展有限公司), a company incorporated in Hong Kong with limited liability and is legally and beneficially owned by each of the Cheung Brothers in equal shares
“Offeror Concert Party(ies)”	party(ies) acting in concert with the Offeror (including the Cheung Brothers, Humphrey Group, Biochoice Limited, Ms. Wu Suet Yi, Rita, Mr. Cheung Pui Yin, Jason, Mr. Cheung Jeffrey Maurice, Ms. Chung Poh Chuan Pollyanna, Ms. Cheung Poh Suan, Ms. Cheong Poh Yuen Yvonne, Pullfield Company Limited, Profit-taking Company Inc. and Megabest Securities Limited)
“Overseas Offer Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong

DEFINITIONS

“Registrar”	Hongkong Managers and Secretaries Limited, the Company’s share registrar and transfer office in Hong Kong located at Units 1607-8, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong
“Relevant Period”	the period from 13 September 2022, being the date falling six months before the date of the commencement of the Offer Period, up to and including the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers
“Trading Day”	a day on which the Stock Exchange is open for the business of dealings in securities
“%”	per cent.

Notes:

- (1) All time and date references contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong time and date.
- (2) Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.
- (3) The singular includes the plural and vice versa, unless the context otherwise requires.
- (4) References to any Appendix and any paragraph and sub-paragraph thereof are references to the corresponding appendix to this Composite Document and paragraph and sub-paragraph thereof, respectively.
- (5) References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document.
- (6) Reference to one gender is a reference to all or any genders.
- (7) **The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.**

LETTER FROM THE JOINT FINANCIAL ADVISERS



21/F., CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong



Unit 1908, Harbour Center
25 Harbour Road
Wanchai
Hong Kong

26 April 2023

To the Offer Shareholders

Dear Sir/Madam,

**VOLUNTARY UNCONDITIONAL CASH OFFER BY
EDDID CAPITAL LIMITED AND MAXA CAPITAL LIMITED
ON BEHALF OF
GOOD VISION DEVELOPMENT LIMITED
FOR ALL THE ISSUED SHARES IN
WAH HA REALTY COMPANY LIMITED
HELD BY THE OFFER SHAREHOLDERS**

1. INTRODUCTION

Reference is made to the Joint Announcement whereby the Offeror and the Company jointly announced that the Joint Financial Advisers on behalf of the Offeror will make a voluntary unconditional cash offer to acquire all the issued Shares held by the Offer Shareholders.

This letter forms part of this Composite Document and sets out, among other things, the details of the terms of the Offer, the reasons for and benefits of the Offer, the information on the Offeror and the Offeror's intention in relation to the Group. Further details of the terms and the procedures for acceptance of the Offer are set out in "Appendix I – Further Terms and Procedures for Acceptance of the Offer" to this Composite Document and the accompanying Form of Acceptance. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

LETTER FROM THE JOINT FINANCIAL ADVISERS

The Offer Shareholders are strongly advised to consider carefully the information contained in the “Letter from the Board” on pages 19 to 23 of this Composite Document, the “Letter from the Independent Board Committee” on pages 24 to 25 of this Composite Document, the “Letter from the Independent Financial Adviser” on pages 26 to 55 of this Composite Document, the other Appendices which form part of this Composite Document and the accompanying Form of Acceptance before reaching a decision as to whether or not to accept the Offer.

2. THE OFFER

The Offer is being made by the Joint Financial Advisers on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

Principal terms of the Offer

For each Offer Share HK\$6.00 in cash

The Offer is extended to all the Offer Shareholders in accordance with the Takeovers Code.

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. The Company confirms that as at the Latest Practicable Date, (a) it had not declared any dividend which was outstanding and not yet paid; and (b) it did not have any intention to make, declare or pay any future dividends or make other distributions prior to the close of the Offer.

The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

The Offer is unconditional in all respects and is not conditional upon acceptance being received in respect of a minimum number of the Offer Shares.

Comparisons of value

The Offer Price of HK\$6.00 represents:

- (a) a premium of approximately 36.36% over the closing price of HK\$4.400 per Share as quoted on the Stock Exchange on the Last Trading Day (the trading of the Shares was suspended after the Last Trading Day and remained suspended as at the Latest Practicable Date);

LETTER FROM THE JOINT FINANCIAL ADVISERS

- (b) a premium of approximately 62.78% over the average closing price of approximately HK\$3.686 per Share based on the daily closing prices as quoted on the Stock Exchange for the five trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 41.98% over the average closing price of approximately HK\$4.226 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 40.81% over the average closing price of approximately HK\$4.261 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 40.25% over the average closing price of approximately HK\$4.278 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 40.15% over the average closing price of approximately HK\$4.281 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Day;
- (g) a premium of approximately 36.30% over the average closing price of approximately HK\$4.402 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Trading Day;
- (h) a discount of approximately 42.28% to the audited consolidated net asset value per Share of approximately HK\$10.395 as at 31 March 2022, calculated based on the Group's audited consolidated total equity of approximately HK\$1,257.4 million as at 31 March 2022 as shown in the annual report of the Company for the year ended 31 March 2022 and 120,960,000 Shares in issue as at the Latest Practicable Date;
- (i) a discount of approximately 41.12% to the unaudited consolidated net asset value per Share of approximately HK\$10.191 as at 30 September 2022, calculated based on the Group's unaudited consolidated total equity of approximately HK\$1,232.8 million as at 30 September 2022 as shown in the interim report of the Company for the six months ended 30 September 2022 and 120,960,000 Shares in issue as at the Latest Practicable Date; and
- (j) a discount of approximately 61.37% to the Adjusted NAV per Share of approximately HK\$15.531.

LETTER FROM THE JOINT FINANCIAL ADVISERS

Shareholders should note that, as shown in the unaudited condensed consolidated balance sheet of the Company as at 30 September 2022, a significant portion of the Group's assets consisted of investment properties, investments in associated companies with property interests, and completed properties held for sale. The value of these assets as stated in such unaudited condensed consolidated balance sheet may or may not reflect the current market value of these assets.

Your attention is drawn to the summary of the property valuation as set out in "Appendix III – Property Valuation of the Group" to this Composite Document from C S Surveyors pursuant to Rule 11 of the Takeovers Code providing an updated valuation of the property interests of the Group and its associated companies as at 31 January 2023. Your attention is also drawn to the section headed "4. Property Interests and Adjusted Net Asset Value" as set out in "Appendix II – Financial Information of the Group" to this Composite Document which provides details of the computation of the Adjusted NAV, taking into account, among other things, the fair value gain arising from the valuation of the property interests of the Group and its associated companies and the deferred taxes payable on the attributable fair value gain.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period:

- (a) the highest closing price of the Shares quoted on the Stock Exchange was HK\$4.400 per Share on 14 September 2022; and
- (b) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$3.750 per Share on 13 September 2022.

None of the Offeror, its directors and the Offeror Concert Parties had dealt for value in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

Value of the Offer

Based on the Offer Price of HK\$6.00 per Offer Share and 120,960,000 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company, the entire issued share capital of the Company is valued at approximately HK\$725.76 million. As at the Latest Practicable Date, 56,315,040 Shares were held by the Offer Shareholders, representing approximately 46.56% of the total issued Shares.

Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Closing Date and assuming the Offer is accepted in respect of all the Offer Shares, maximum amount of aggregate cash consideration to be paid to the Offer Shareholders for all the Offer Shares under the Offer is approximately HK\$337.89 million.

LETTER FROM THE JOINT FINANCIAL ADVISERS

Confirmation of financial resources

The Offeror intends to fully finance and satisfy the cash consideration payable under the Offer with its internal resources from equity contribution and shareholder loans from its shareholders. No external financing is required. The Joint Financial Advisers are satisfied that sufficient financial resources are available to the Offeror for discharging its payment obligations in respect of the full acceptance of the Offer.

3. INFORMATION REGARDING THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT

The Offeror

The Offeror is an investment holding company incorporated on 28 April 2022 under the Companies Ordinance with limited liability and has not carried out any business. Each of the Cheung Brothers is a director of, and legally and beneficially owns 10 issued shares (representing one-third of the total number of issued shares) in the capital of, the Offeror. The Cheung Brothers are also the controlling shareholders of the Company and each of them is an executive Director. As at the Latest Practicable Date, the Cheung Brothers and Humphrey Group, a company indirectly held and controlled by Mr. KW Cheung, his spouse and their two children, held 64,644,960 Shares, representing approximately 53.44% of the total issued Shares.

Each of the Cheung Brothers as a director of the Offeror together with his close relatives is presumed to be acting in concert with the Offeror in accordance with class 2 of the definition of “acting in concert” under the Takeovers Code. Such close relatives include the siblings of the Cheung Brothers. As at the Latest Practicable Date, the Cheung Brothers had 13 other siblings, of which three of them came from the same household of their late father and had the same natural mother as the Cheung Brothers, and the remaining 10 siblings came from a different household of their late father and were the offspring of or adopted by their late father and his another spouse (the “**Half-Siblings**”). Based on the information contained in the Company’s share register, as at the Latest Practicable Date, the Half-Siblings held an aggregate of 4,933,640 Shares under their personal names (representing approximately 4.08% of the total issued Shares).

The Cheung Brothers are not in fact acting in concert with the Half-Siblings as they come from two separate households and their relationships are less than harmonious given their respective camps were involved in prolonged civil proceedings over the estate of their late father back in 2005 which were litigated all the way up to the Court of Final Appeal of Hong Kong.

Based on the above, none of the Half-Siblings would be a member of the Offeror Concert Parties.

LETTER FROM THE JOINT FINANCIAL ADVISERS

The principal parties acting in concert with the Offeror

The Offeror, the Cheung Brothers, their spouses, children, siblings (except the Half-Siblings) and related trusts, and the companies controlled by the Cheung Brothers, their spouses, children, siblings (except the Half-Siblings) and related trusts, or any of them, are presumed to be acting in concert under the Takeovers Code.

The Cheung Brothers, Biochoice Limited, Humphrey Group, Pullfield Company Limited, Profit-taking Company Inc. and Megabest Securities Limited are the principal parties acting in concert with the Offeror.

Humphrey Group is a company indirectly held and controlled by Mr. KW Cheung, his spouse and their two children through Biochoice Limited. Humphrey Group and Biochoice Limited are presumed to be acting in concert with the Offeror under the Takeovers Code.

Pullfield Company Limited is a direct wholly owned subsidiary of Profit-taking Company Inc. which, in turn, is a direct wholly owned subsidiary of Megabest Securities Limited. All issued shares of Megabest Securities Limited are held by the estate of Madam Chin Lan Hong, the late mother of the Cheung Brothers, the grant of probate of which is under court process in the BVI. The Cheung Brothers are beneficiaries under the estate of their late mother and are the directors of each of Pullfield Company Limited, Profit-taking Company Inc. and Megabest Securities Limited. Pullfield Company Limited, Profit-taking Company Inc. and Megabest Securities Limited are presumed to be acting in concert with the Offeror under the Takeovers Code.

Please refer to the section headed “4. Shareholding Structure of the Company” below for the number of Shares held by the Offeror and the Offeror Concert Parties.

LETTER FROM THE JOINT FINANCIAL ADVISERS

4. SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, there were 120,960,000 Shares in issue. There are no other class of shares in the capital of the Company.

The following table sets out the shareholding structure of the Company as at the Latest Practicable Date:

Shareholders	As at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximate % of issued Shares (Note 1)</i>
Offeror	–	–
Offeror Concert Parties who are not Offer Shareholders		
– Mr. KW Cheung	4,173,440	3.45
– Mr. LW Cheung	22,741,680	18.80
– Mr. YW Cheung	22,579,680	18.67
– Humphrey Group	<u>15,150,160</u>	<u>12.52</u>
Sub-total (A)	<u>64,644,960</u>	<u>53.44</u>
Offeror Concert Parties who are Offer Shareholders		
– Ms. Wu Suet Yi, Rita (Note 2)	480,000	0.40
– Mr. Cheung Pui Yin, Jason (Note 3)	268,000	0.22
– Mr. Cheung Jeffrey Maurice (Note 4)	10,000	0.01
– Ms. Chung Poh Chuan Pollyanna (Note 5)	2,980,960	2.47
– Ms. Cheung Poh Suan (Note 6)	1,344,480	1.11
– Ms. Cheong Poh Yuen Yvonne (Note 7)	1,344,480	1.11
– Pullfield Company Limited	<u>11,295,600</u>	<u>9.34</u>
Sub-total (B)	<u>17,723,520</u>	<u>14.66</u>
Total number of Shares held by the Offeror and the Offeror Concert Parties (A) + (B)	<u>82,368,480</u>	<u>68.10</u>
Other Offer Shareholders (C)	<u>38,591,520</u>	<u>31.90</u>
Total number of Offer Shares (B) + (C)	<u>56,315,040</u>	<u>46.56</u>
Total number of Shares in issue (A) + (B) + (C)	<u>120,960,000</u>	<u>100.00</u>

LETTER FROM THE JOINT FINANCIAL ADVISERS

Notes:

1. All percentages in the above table are approximations.
2. Ms. Wu Suet Yi, Rita is the spouse of Mr. LW Cheung and is presumed to be acting in concert with the Offeror under the Takeovers Code.
3. Mr. Cheung Pui Yin, Jason is a son of Mr. KW Cheung and is presumed to be acting in concert with the Offeror under the Takeovers Code.
4. Mr. Cheung Jeffrey Maurice is a son of Mr. YW Cheung and is presumed to be acting in concert with the Offeror under the Takeovers Code.
5. Ms. Chung Poh Chuan Pollyanna is a sister of the Cheung Brothers and is presumed to be acting in concert with the Offeror under the Takeovers Code.
6. Ms. Cheung Poh Suan is a sister of the Cheung Brothers and is presumed to be acting in concert with the Offeror under the Takeovers Code.
7. Ms. Cheung Poh Yuen Yvonne is a sister of the Cheung Brothers and is presumed to be acting in concert with the Offeror under the Takeovers Code.

As at the Latest Practicable Date, save for 82,368,480 Shares held by the Offeror Concert Parties (representing approximately 68.10% of the total issued Shares), the Offeror and the Offeror Concert Parties did not hold, control or have direction over any Shares or any convertible securities, warrants, options or other interests in the issued Shares or voting rights of the Company.

5. INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Trading in the Shares has been suspended since 15 September 2022. The resumption of trading in the Shares is subject to the Company's satisfaction of all resumption guidance set out by the Stock Exchange to demonstrate its compliance with Rule 13.24 of the Listing Rules and its suitability for continued listing, remediation of the issues causing the trading suspension and full compliance with the Listing Rules. Please refer to the announcements of the Company dated 11 October 2022 and 14 December 2022 for details. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. The relevant 18-month period for the Company will expire on 14 March 2024. If the Company fails to remedy the issues causing its trading suspension, fulfil the resumption guidance of the Stock Exchange and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in the Shares by 14 March 2024, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

LETTER FROM THE JOINT FINANCIAL ADVISERS

It is the intention of the Offeror, together with the Offeror Concert Parties, that the Group will continue to operate its business in substantially its current state whilst the Company explores and considers available opportunities and options in formulating a feasible plan for the resumption of trading in the Shares. The Offeror, together with the Offeror Concert Parties, has no intention to (a) discontinue the employment of the employees; or (b) dispose of or re-deploy the assets of the Group other than in its ordinary course of business or for the purpose of facilitating the resumption of trading in the Shares. Given that the Stock Exchange rejected the Company's previous proposal to resolve the issues causing the trading suspension of the Shares and ensure full compliance with Rule 13.24 of the Listing Rules by adjusting its group structure and existing property management business, and reconstituting its control or influence on the boards of directors of its associated companies, it is anticipated that any resumption plan would inevitably entail making substantial investments by the Company within a relatively short period of time amidst the uncertainties on economic outlook promulgated by the current high inflation environment and the tightening of fiscal policies on a global basis, when prudence and caution over re-allocation of the Company's resources in order to safeguard its values and interests would need to be balanced. The Offeror noted that the Company is taking appropriate steps to resolve the issues causing its trading suspension and, in light of the complexity of the issues and the resources to be involved, it might take a substantial amount of time for the Company to formulate a viable resumption plan.

In view of the uncertainty associated with the prolonged suspension of trading in the Shares and the risk of a cancellation of the Company's listing if the resumption requirements of the Stock Exchange could not be met in full to the satisfaction of the Stock Exchange on or before the prescribed time limit, the Offeror intends to provide the Offer Shareholders, by way of the Offer, with a readily accessible opportunity to realising their respective investments in the Shares in return for cash at a fair and reasonable price. As stated above, the Offer Shares do not include the Shares held by the Cheung Brothers and Humphrey Group. As at the Latest Practicable Date, the Offeror did not have any intention to make any application for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules as the Offer is not a "takeover offer" within the meaning of the Companies Ordinance on the ground that the Offer Shares will not represent all the issued Shares not held by the Offeror at the time of the making of the Offer and therefore, no right to compulsory acquisition will arise.

6. TAXATION ADVICE

The Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Offer. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, the Joint Financial Advisers, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance of the Offer.

LETTER FROM THE JOINT FINANCIAL ADVISERS

7. OVERSEAS OFFER SHAREHOLDERS

The making of the Offer to the Offer Shareholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdiction. Such Offer Shareholders may be prohibited or affected by the laws of the relevant jurisdiction and it is the responsibility of each such Offer Shareholder who wishes to accept the Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Offer Shareholder in such jurisdiction. The Offeror, the Offeror Concert Parties, the Company, the Joint Financial Advisers, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other persons involved in the Offer shall be entitled to be fully indemnified and held harmless by such Offer Shareholder for any taxes as such Offer Shareholder may be required to pay. Such Offer Shareholders should inform themselves about and observe any applicable legal or regulatory requirements.

Any acceptance by any Offer Shareholder will be deemed to constitute a representation and warranty from such Offer Shareholder to the Offeror that all local laws and requirements have been complied with and that the Offer can be accepted by such Offer Shareholder lawfully under the laws of the relevant jurisdiction. Offer Shareholders should consult their professional advisers if in doubt.

Offer Shareholders are encouraged to read this Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders and the recommendation from the Independent Board Committee to the Offer Shareholders (a) as to whether the terms of the Offer are, or are not, fair and reasonable; and (b) as to the acceptance of the Offer.

8. FURTHER TERMS OF THE OFFER

Acceptance of the Offer

The Offer is capable of acceptance on and from 26 April 2023 and will remain open for acceptance until 4:00 p.m. on 17 May 2023, being the Closing Date, unless extended or revised in accordance with the Takeovers Code. The Offeror reserves the right to revise or extend the Offer in accordance with the Takeovers Code.

Acceptance of the Offer by any person will constitute a warranty by such person to the Offeror that the Offer Shares sold by such person to the Offeror are fully paid and are free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

LETTER FROM THE JOINT FINANCIAL ADVISERS

Settlement of consideration

Settlement of the consideration payable by the Offeror in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date of receipt of a completed and valid acceptance in respect of the Offer.

No fraction of a cent will be payable and the amount of cash consideration payable to each Offer Shareholder who accepts the Offer will be rounded up to the nearest cent.

Stamp duty

Seller's ad valorem stamp duty at the rate of 0.13% of the value of the consideration arising on acceptance of the Offer will be payable by the Offer Shareholders who accept the Offer. The relevant amount of stamp duty payable by the Offer Shareholders will be deducted from the consideration payable to them under the Offer (where the stamp duty calculated includes a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will bear its own portion of buyer's ad valorem stamp duty at the rate of 0.13% of the value of the consideration payable in respect of acceptances of the Offer and will be responsible to account to the Stamp Office of Hong Kong for all the stamp duty payable for the sale and purchase of the Offer Shares which are validly tendered for acceptance under the Offer.

Nominee registration

To ensure equality of treatment of all the Offer Shareholders, those Offer Shareholders who hold the Offer Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees (including those whose interests in the Offer Shares are held through CCASS) to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their respective nominees.

Close of the Offer

On 17 May 2023, the Shareholders will be notified of the results of the Offer as at the Closing Date by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as possible.

Your attention is also drawn to the further details of the Offer set out in "Appendix I – Further Terms and Procedures for Acceptance of the Offer" to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM THE JOINT FINANCIAL ADVISERS

9. INFORMATION OF THE GROUP

Information of the Group is set out in the section headed “5. Information of the Group” of the “Letter from the Board” in, and “Appendix V – General Information of the Group” to, this Composite Document.

10. REASONS AND BENEFITS OF THE OFFER

Trading in the Shares has been suspended as a result of the decision of the Listing Division (as confirmed by a subsequent review decision of the Listing Committee) that the Company failed to satisfy the requirements of Rules 13.24, 6.01(3) and 6.01(4) of the Listing Rules, details of which have been set out in the Company’s announcements dated 10 June 2022 and 2 September 2022. Information relating to the resumption guidance given by the Stock Exchange has also been set out in the Company’s announcement dated 11 October 2022.

Whilst the Company is taking appropriate steps to resolve the issues causing its trading suspension and, in light of the complexity of the issues and the resources to be involved, has been in discussions with its professional advisers to explore and consider opportunities and options available to the Company in formulating a viable resumption plan, there is no material development in this regard according to the Company’s latest announcement on quarterly update on progress of resumption dated 14 March 2023.

During the six-month period preceding the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$4.833 per Share on 31 August 2022, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$3.280 per Share on 7 September 2022. In addition, the historically highest closing price of the Shares as quoted on the Stock Exchange from 16 September 2021 to the Last Trading Day was HK\$4.978 per Share on 30 November 2021, 1 December 2021, 2 December 2021, 3 December 2021, 6 December 2021, 7 December 2021, 8 December 2021, 9 December 2021, 10 December 2021, 13 December 2021 and 22 December 2021. The unaudited consolidated net asset value per Share and the Adjusted NAV per Share as at 30 September 2022 are HK\$10.191 and HK\$15.531 respectively. The Offeror noted that during the Relevant Period, the Shares had been consistently traded at a discount to the net asset value per Share. The Offeror further noted that during the Relevant Period the highest daily closing price of the Shares as quoted on the Stock Exchange was HK\$4.400 per Share on 14 September 2022, which was at a discount to the unaudited consolidated net asset value per Share of approximately 56.82% and a discount to the Adjusted NAV per Share of approximately 71.67%. Taking into account the above, the Offeror believes that the Offer Price (a) represents a premium to the prices at which the market has valued the Group; and (b) reflects the potential value of the business of the Group in the next few years under its current state and provides an opportunity for the Offer Shareholders to immediately realise their investments and mitigate the uncertainty and risk mentioned in the section headed “5. Intentions of the Offeror in relation to the Group” above. In addition, the share prices of the comparable companies of the Company also represent deep discount to their respective net asset value per share. Please refer to the letter from the Independent Financial Adviser for details. The Offer therefore allows the Offer Shareholders a chance to redeploy capital from accepting the Offer into other investment opportunities that they may consider more attractive in the current market environment.

LETTER FROM THE JOINT FINANCIAL ADVISERS

11. PUBLIC FLOAT

According to the Listing Rules, normally if less than 25% of the issued shares in a listed company are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of such shares or there are insufficient shares of that company in public hands to maintain an orderly market, the Stock Exchange may consider exercising its discretion to suspend dealings in such shares. In the case of the Company, the restoration or maintenance of the minimum percentage of the issued Shares in public hands in compliance with the Listing Rules will be or become an additional condition for the resumption of trading in the Shares to be imposed by the Stock Exchange on the Company if, upon the close of the Offer, less than 25% of the issued Shares are held by the public. If the public float of the Company is less than 25% of the issued Shares, the Company would need to consider all available options to be included in its resumption plan, including but not limited to placing new Shares to the public or requesting existing Shareholders to dispose of Shares in order to restore the requisite public float. As at the Latest Practicable Date, there was no definitive plan in this regard.

12. GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

All documents and remittances to be sent to the Offer Shareholders will be sent to them by ordinary post at their own risk at their respective addresses as they appear in the register of members of the Company or in the case of joint holders, to such Offer Shareholder whose name appears first in the register of members of the Company, as applicable. None of the Company, the Offeror, the Joint Financial Advisers, the Independent Financial Adviser, the Registrar or parties acting in concert with any of them or any of their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

13. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices which form part of this Composite Document and the accompanying Form of Acceptance. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group which are set out in this Composite Document before deciding whether or not to accept the Offer.

Yours faithfully,

For and on behalf of
EDDID CAPITAL LIMITED

Joseph Lam
Executive Director

For and on behalf of
MAXA CAPITAL LIMITED

Dian Deng
Managing Director

Sammy Leung
Managing Director

LETTER FROM THE BOARD



華廈置業有限公司
WAH HA REALTY COMPANY LIMITED

WAH HA REALTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 278)

Executive Directors:

Mr. Cheung Kee Wee (*Chairman*)

Mr. Cheung Lin Wee

Mr. Cheung Ying Wai, Eric

Non-executive Director:

Mr. Ng Kwok Tung

Independent non-executive Directors:

Mr. Chan Woon Kong

Mr. Chan Wing Tat

Mr. Kok Lap Seng

*Registered office and principal place
of business:*

Room 2500, Dominion Centre,

43-59 Queen's Road East

Wanchai

Hong Kong

26 April 2023

To the Offer Shareholders

Dear Sir/Madam,

**VOLUNTARY UNCONDITIONAL CASH OFFER BY
EDDID CAPITAL LIMITED AND MAXA CAPITAL LIMITED
ON BEHALF OF
GOOD VISION DEVELOPMENT LIMITED
FOR ALL THE ISSUED SHARES IN
WAH HA REALTY COMPANY LIMITED
HELD BY THE OFFER SHAREHOLDERS**

1. INTRODUCTION

Reference is made to the Joint Announcement. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

LETTER FROM THE BOARD

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (a) the details of the Offer (including the expected timetable and the terms of the Offer); (b) a letter of recommendation from the Independent Board Committee to the Offer Shareholders in relation to the Offer; and (c) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders in relation to the Offer, together with the Form of Acceptance.

Your attention is also drawn to the “Letter from the Joint Financial Advisers” and the “Letter from the Independent Board Committee” addressed to the Offer Shareholders, the “Letter from the Independent Financial Adviser” addressed to the Independent Board Committee and the Offer Shareholders and the additional information contained in the Appendices which form part of this Composite Document and the accompanying Form of Acceptance.

2. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Company has established the Independent Board Committee comprising the sole non-executive Director and all the independent non-executive Directors, who are not interested in the Offer, namely, Messrs. Ng Kwok Tung, Chan Woon Kong, Chan Wing Tat and Kok Lap Seng, to advise and give a recommendation to the Offer Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. The Board confirms that none of the members of the Independent Board Committee has any direct or indirect interest in the Offer.

The Company has appointed Grande Capital as independent financial adviser with the approval of the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee and the Offer Shareholders in relation to the Offer and, in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

The full text of the “Letter from the Joint Financial Advisers” and the “Letter from the Independent Board Committee” addressed to the Offer Shareholders and the “Letter from the Independent Financial Adviser” addressed to the Independent Board Committee and the Offer Shareholders are set out in this Composite Document. **You are advised to read all such letters and the additional information contained in the Appendices and the accompanying Form of Acceptance carefully before taking any action in respect of the Offer.**

LETTER FROM THE BOARD

3. THE OFFER

Principal terms of the Offer

The Joint Financial Advisers, on behalf of the Offeror, is making the Offer to all the Offer Shareholders on the following basis:

For each Offer Share HK\$6.00 in cash

The Offer is extended to all the Offer Shareholders in accordance with the Takeovers Code. **The Offeror will not increase the Offer Price as set out above. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.**

The Offer is unconditional in all respects and is not conditional upon acceptance being received in respect of a minimum number of the Offer Shares.

Further details of the Offer

Further details of the Offer including, among other things, the value of the Offer, its extension to the Overseas Offer Shareholders, effects of accepting the Offer, information on stamp duty, taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period are set out in the “Letter from the Joint Financial Advisers” on pages 6 to 18 of, and “Appendix I – Further Terms and Procedures for Acceptance of the Offer” to, this Composite Document and the accompanying Form of Acceptance.

4. INFORMATION OF THE OFFEROR AND ITS INTENTIONS IN RELATION TO THE GROUP

Your attention is drawn to the sections headed “3. Information regarding the Offeror and parties acting in concert with it” and “5. Intentions of the Offeror in relation to the Group” in the “Letter from the Joint Financial Advisers” in this Composite Document for the information of the Offeror and its intentions in relation to the Group. The Board is aware of the intentions of the Offeror in relation to the Group and its employees and is willing to render reasonable cooperation to the Offeror to support the Offeror’s intentions regarding the Group to the extent the Board considers that it is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

5. INFORMATION OF THE GROUP

The Company is an investment holding company incorporated under the laws of Hong Kong with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in investment holding, property development, investment and management in Hong Kong.

Your attention is drawn to the financial information, property valuation and general information of the Group set out in Appendices II, III and V.

6. SHAREHOLDING STRUCTURE OF THE COMPANY

Please refer to the section headed “4. Shareholding Structure of the Company” in the “Letter from the Joint Financial Advisers” in this Composite Document for details of the shareholding structure of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company did not have in issue any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible or exchangeable into Shares or other types of equity interest of the Company and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities.

7. PUBLIC FLOAT

Your attention is drawn to the section headed “11. Public Float” in the “Letter from the Joint Financial Advisers” in this Composite Document.

Therefore, it should be noted that upon the close of the Offer, there may be insufficient public float of the Shares and the restoration of the public float to 25% of the issued Shares to be held by the public may be or become an additional condition for the resumption of trading in the Shares to be imposed by the Stock Exchange on the Company.

8. RECOMMENDATIONS

Your attention is drawn to (a) the “Letter from the Independent Board Committee” on pages 24 to 25 of this Composite Document, which sets out its recommendation to the Offer Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable so far as the Offer Shareholders are concerned, and as to the acceptance thereof; and (b) the “Letter from the Independent Financial Adviser” on pages 26 to 55 of this Composite Document, which sets out its advice to the Independent Board Committee and the Offer Shareholders as to whether the terms of the Offer are, or are not, fair and reasonable so far as the Offer Shareholders are concerned, and as to the acceptance thereof, and the principal factors considered by it in arriving at its advice.

LETTER FROM THE BOARD

The Offer Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.

9. ADDITIONAL INFORMATION

Please read this Composite Document together with the accompanying Form of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the Appendices.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your own professional advisers.

Yours faithfully,
For and on behalf of
The board of directors of
Wah Ha Realty Company Limited
Cheung Kee Wee
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of the letter of recommendation from the Independent Board Committee in respect of the Offer.



華廈置業有限公司
WAH HA REALTY COMPANY LIMITED

WAH HA REALTY COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 278)

26 April 2023

To the Offer Shareholders

Dear Sir/Madam,

**VOLUNTARY UNCONDITIONAL CASH OFFER BY
EDDID CAPITAL LIMITED AND MAXA CAPITAL LIMITED
ON BEHALF OF
GOOD VISION DEVELOPMENT LIMITED
FOR ALL THE ISSUED SHARES IN
WAH HA REALTY COMPANY LIMITED
HELD BY THE OFFER SHAREHOLDERS**

1. INTRODUCTION

We refer to the composite offer and response document dated 26 April 2023 issued jointly by the Offeror and the Company (the “**Composite Document**”) of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Offer Shareholders are concerned, and as to the acceptance thereof.

Grande Capital has been appointed as independent financial adviser, with the approval of the Independent Board Committee, to advise us and the Offer Shareholders in respect of the terms of the Offer and as to the acceptance thereof. Details of its advice and the principal factors considered by it in arriving at its advice are set out in the “Letter from the Independent Financial Adviser” on pages 26 to 55 of the Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from the Board”, the “Letter from the Joint Financial Advisers” and the additional information set out in the appendices to the Composite Document.

2. RECOMMENDATION

Having considered the terms of the Offer and the information contained in the Composite Document including the intentions of the Offeror in relation to the Group and its employees, taking into account the advice of the Independent Financial Adviser, in particular, the factors and reasons set out in its letter the full text of which is contained in the Composite Document, we are of the opinion that the terms of the Offer are fair and reasonable so far as the Offer Shareholders are concerned. Accordingly, we recommend you to accept the Offer.

Notwithstanding our recommendation, the Offer Shareholders are strongly advised that the decision to realise or to hold their investments in the Company is subject to individual circumstances and investment objectives and they should consider carefully the terms of the Offer. If in doubt, the Offer Shareholders should consult their own professional advisers for professional advice. Furthermore, the Offer Shareholders who wish to accept the Offer are recommended to read carefully the terms and the procedures for accepting the Offer as detailed in the Composite Document.

Yours faithfully,

The Independent Board Committee

Ng Kwok Tung

Non-executive Director

Chan Woon Kong

Independent non-executive Director

Chan Wing Tat

Independent non-executive Director

Kok Lap Seng

Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter from the Independent Financial Adviser appointed to advise the Independent Board Committee and the Offer Shareholders, which has been prepared for the purpose of incorporation into this Composite Document, setting out its advice to the Independent Board Committee in relation to the Offer.



Room 2701, 27/F., Tower 1, Admiralty Centre,
18 Harcourt Road, Admiralty
Hong Kong

26 April 2023

*To: the Independent Board Committee and the Offer Shareholders
of Wah Ha Realty Company Limited*

Dear Sirs,

**VOLUNTARY UNCONDITIONAL CASH OFFER BY
EDDID CAPITAL LIMITED AND MAXA CAPITAL LIMITED
ON BEHALF OF
GOOD VISION DEVELOPMENT LIMITED
FOR ALL THE ISSUED SHARES IN
WAH HA REALTY COMPANY LIMITED
HELD BY THE OFFER SHAREHOLDERS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders in relation to the Offer, details of which are set out in this Composite Document dated 26 April 2023 jointly issued by the Company and the Offeror, of which this letter forms part. Unless otherwise stated, capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document.

Reference is made to the Joint Announcement in relation to, among other things, the Offer pursuant to which the Company was informed by the Offeror on 13 March 2023 that the Joint Financial Advisers, on behalf of the Offeror, is making a voluntary unconditional cash offer to acquire all the Offer Shares. The Offer is unconditional in all respects when it is made and is not conditional upon acceptance being received in respect of a minimum number of the Offer Shares. The Offer is extended to all the Offer Shareholders in accordance with the Takeovers Code and as at the Latest Practicable Date, 56,315,040 Shares were held by the Offer Shareholders, representing approximately 46.56% of the total issued Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, save for 64,644,960 Shares held by the Cheung Brothers and Humphrey Group, indirectly held by Mr. KW Cheung, his spouse and their two children, of approximately 53.44% and the Offeror Concert Parties of 17,723,520 Shares, representing approximately 14.66%, which in total representing 82,368,480 Shares, representing approximately 68.10% of the total issued Shares, the Offeror and the Offeror Concert Parties did not hold, control or have direction over any Shares or any convertible securities, warrants, options or other interests in the issued Shares or voting rights of the Company. The Offer is extended to all the Offer Shareholders in accordance with the Takeovers Code and as at the Latest Practicable Date, 56,315,040 Shares were held by the Offer Shareholders, representing approximately 46.56% of the total issued Shares including 17,723,520 Shares, representing approximately 14.66% held by the Offeror Concert Parties.

As disclosed in the announcement of the Company dated 10 June 2022, the Company received on that day a letter from the Stock Exchange notifying the Company of its decision that (i) the Company has failed to maintain a sufficient level of operations and assets of sufficient value to support its operations as required under Rule 13.24 of the Listing Rules; and (ii) the Company is not suitable for continued listing and that trading in the Shares shall be suspended under Rules 6.01(3) and 6.01(4) of the Listing Rules (the “**Decision**”). On 20 June 2022, the Company announced that it has submitted a written request to the Stock Exchange for the Decision to be referred to the Listing Committee for review pursuant to Rules 2B.06(1) and 2B.08(1) of the Listing Rules. With reference to the announcement of the Company dated 2 September 2022, the Company received a letter from the Listing Committee notifying that the Listing Committee upheld the Decision and the Company decided not to further review the Decision (the “**Listing Committee Review Announcement**”). Accordingly, trading in the Shares has been suspended since 9:00 a.m. on 15 September 2022 and the resumption of trading in the Shares is subject to the Company’s satisfaction of all resumption guidance set out by the Stock Exchange, remediation of the issues causing the trading suspension and full compliance with the Listing Rules. In any event, the trading in the Shares will remain suspended and the listing of the Shares will eventually be cancelled by the Stock Exchange if the Company cannot comply with Rule 13.24 of the Listing Rules on or before the expiration of the 18-month period, i.e. by 14 March 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising the sole non-executive Director and all the independent non-executive Directors, namely, Messrs. Ng Kwok Tung, Chan Woon Kong, Chan Wing Tat and Kok Lap Seng, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and provide a recommendation to the Offer Shareholders in relation to the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. We, Grande Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Offer Shareholders in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee and the Offer Shareholders in connection with their respective consideration of the Offer pursuant to Rule 2.1 of the Takeovers Code. Our appointment as the Independent Financial Adviser in relation to the Offer has been approved by the Independent Board Committee.

We are not associated or connected with the Company, the Offeror, their respective controlling shareholders or any party acting in concert with any of them. During the past two years, save for our appointment as the Independent Financial Adviser to the Independent Board Committee in relation to the Offer, we had no prior engagement with the Company or the Offeror. We are not in the same group as the financial or other professional advisers (including stockbroker) to the Offeror and the Company. Pursuant to Rule 13.84 of the Listing Rules and Rule 2 of the Takeovers Code, and given that (i) remuneration for our engagement to opine on the terms of the Offer is not conditional upon the outcome of the Offer; (ii) no arrangement exists whereby we shall receive any fees or benefits (other than our said remuneration) from the Company or the Offeror, their respective controlling shareholders or any party acting in concert with any of them; and (iii) our engagement is on normal commercial terms, we are considered to be independent and can act as the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders in relation to the Offer.

BASIS OF OUR OPINIONS

In formulating our opinion, we have reviewed, among other things, (i) the Joint Announcement; (ii) this Composite Document; (iii) the annual reports of the Company for the years ended 31 March 2021 (the “**2021 AR**”) and 31 March 2022 (the “**2022 AR**”); (iv) the interim report of the Company for the six months ended 30 September 2022 (the “**2023 IR**”); (v) the information contained or referred to in this Composite Document; and (vi) relevant public information.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have relied on the statements, information, opinions and representations contained or referred to in the Joint Announcement, this Composite Document and/or information provided to us by the Company, the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Joint Announcement, this Composite Document and/or information provided to us were true, accurate and complete at the time they were made and continued to be so as at the Latest Practicable Date. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of this Composite Document, save and except for this letter of advice. The Company will notify the Offer Shareholders of any material change to information contained or referred to in this Composite Document as soon as possible in accordance with Rule 9.1 of the Takeovers Code. The Offer Shareholders will also be informed as soon as possible when there is any material change to the information contained or referred to herein as well as changes to our opinions, if any, after the Latest Practicable Date and throughout the Offer Period.

We consider that we have reviewed sufficient information to reach an informed view, to justify our reliance on the accuracy of the information contained in this Composite Document and to provide a reasonable basis for our advice. We have no reason to believe that any statement, information, opinion or representation relied on by us in forming our opinions is untrue, inaccurate or misleading, nor are we aware of any material fact the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business, financial conditions and affairs or the future prospects of the Group nor have we carried out any independent verification of the information supplied to us.

As set out in the responsibility statement in Appendix V of this Composite Document, all the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document relating to the Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the directors of the Offeror in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

As set out in the responsibility statement in Appendix IV of this Composite Document, the directors of the Offeror jointly and severally accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Should there be any subsequent material changes which occur during the period from the date of this Composite Document up to the close of the Offer, we will notify the Independent Board Committee and the Offer Shareholders as soon as possible.

We have not considered the tax implications on the Offer Shareholders arising from acceptances or non-acceptances of the Offer, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Offer Shareholders as a result of the Offer. In particular, the Offer Shareholders who are subject to Hong Kong or overseas taxation on dealings in securities are urged to seek their own professional advice on tax matters.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving our opinions and recommendations in relation to the Offer, we have taken into account the following principal factors and reasons:

1. Background and terms of the Offer

As at the Latest Practicable Date, the Company had 120,960,000 Shares in issue. The Company does not have in issue any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible or exchangeable into Shares or other types of equity interest of the Company and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities.

As at the Latest Practicable Date, the Offeror and Offeror Concert Parties owned, controlled or had direction over a total of 82,368,480 Shares, representing approximately 68.10% of the total issued Shares and among which, 17,723,520 Shares, representing approximately 14.66% of the total issued Shares held by the Offeror Concert Parties are subject to the Offer.

The Offer

The Offer is made by the Joint Financial Advisers on behalf of the Offeror, in compliance with the Takeovers Code and on the terms set out in this Composite Document.

Under the terms of the Offer, an Offer Shareholder, in respect of his/her/its Shares, may validly tender for acceptance on the basis set out below:

For each Offer Share HK\$6.00 in cash

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Offer is extended to all the Offer Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of this Composite Document.

The Company confirms that, as at the Latest Practicable Date, (a) it had not declared any dividend which is outstanding and not yet paid; and (b) it did not have any intention to make, declare or pay any future dividends or make other distributions prior to close of the Offer.

The Offeror has made the statement that it will not increase the Offer Price as set out above. The Offer Shareholders and potential investors of the Company should be aware that, following the making of such statement, the Offeror will not be allowed to increase the Offer Price and the Offeror does not reserve the right to increase the Offer Price.

Condition of the Offer

The Offer is unconditional in all respects when it is made and is not conditional upon acceptance being received in respect of a minimum number of the Offer Shares.

2. Information on the Group

(a) Principal business and prospects of the Group

The Company is an investment holding company incorporated under the Companies Ordinance with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in property development, investment and management in Hong Kong. The Group has been deriving its revenue mainly from the sales of completed properties in Hong Kong from time to time and the rental income generated from leasing of its own properties and those held by its associated companies in Hong Kong. The Group owns a properties portfolio and other real estate interests by itself and through its investments in associated companies. For details of the investment properties held by the Group and its associated companies and their respective carrying value and the interest attributable to the Group, please refer to the summary of the property valuation as set out in “*Appendix III – Property Valuation of the Group*” to this Composite Document.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

After a few turbulent years, the market is expecting a recovery of local real estate leasing and investment demand to commence in 2023 following the re-opening of quarantine-free travel between Hong Kong, Mainland China and the rest of the world, which provides a strong boost to local business sentiments. The limitation of supply of land and housing in Hong Kong provides support to domestic real estate prices despite continued uncertainty regarding the global economic outlook, high inflation rates and elevated interest rates will remain to be hindering factors for potential real estate investors and the increasing number of unsold stocks mainly due to the recent net population outflow in Hong Kong will exert price pressure on local real properties. Property development in Hong Kong is becoming a less lucrative business than it was as land costs remain high and construction expenses continue to escalate, which effectively mean margins are bound to decline for local real estate developers.

According to the AR 2022, the Company took a conservative approach in making investment decisions given the uncertainties on economic outlook promulgated by the current high inflation economic environment which led to tightening fiscal policies being implemented on a global basis. The Company has been prudent and cautious over its employment and/or re-allocation of resources as the management of the Company strive to ensure sustainable returns to the Shareholders.

Nevertheless, as disclosed in the unaudited condensed consolidated balance sheet of the Company as at 30 September 2022, the Group was not in possession of land banks available for development purpose while a significant portion of the Group's assets comprised investment properties, investments in associated companies with property interests and completed properties held for sale. As the management of the Company is of the view that the land costs remain at a high level and the resulting margins continue to deteriorate, the Group has been taking a relatively passive approach in its real estate development business and accordingly, leaving behind its stable rental income generated from properties and profits sharing through its investment in associated companies with real estate interests. Furthermore, it is anticipated that the Group will be having fewer financing alternatives on any future investment once it becomes a private/unlisted public company in the event that its listing status was cancelled as a result of its failure in fulfilling the resumption requirements as imposed by the Stock Exchange.

In view of the abovementioned factors, we hold a cautious view on the business prospects of small-scale local real estate developers going forward and concur with the conservative and prudent approach taken by the management of the Company in its business plan with due regard to the Company's long-term experience in property developments and investments, which is consistent with the objective of the Board in safeguarding the value of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) Historical financial information of the Group

Financial performance of the Group

Set out below is a summary of the consolidated financial information of the Group for the years ended 31 March 2021 (“**FY2021**”) and 31 March 2022 (“**FY2022**”), and for the six months ended 30 September 2021 (“**1H2022**”) and 2022 (“**1H2023**”) as extracted from the 2022 AR and 2023 IR, respectively:

	FY2021 (audited) <i>HK\$'000</i>	FY2022 (audited) <i>HK\$'000</i>	1H2022 (unaudited) <i>HK\$'000</i>	1H2023 (unaudited) <i>HK\$'000</i>
Revenues	9,184	7,813	3,611	30,368
– Rental income	4,042	3,325	1,327	2,197
– Bank interest income	3,550	2,951	1,470	2,309
– Dividend income	4	4	2	2
– Management fee income	1,501	1,533	812	860
– Construction supervision fee	87	–	–	–
– Sales of completed properties held for sale	–	–	–	25,000
Changes in fair value of investment properties	(100)	100	3,000	(7,100)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	663	(205)	(30)	(471)
Other gains/(losses)	6,622	3,491	1,463	(8,991)
Direct outgoings in relation to properties that generate income	(1,183)	(1,506)	(844)	(1,389)
Cost of sales of completed properties	–	–	–	(1,091)
Staff costs	(7,426)	(8,559)	(3,935)	(3,793)
Other operating expenses	(1,658)	(1,818)	(970)	(1,176)
Operating profits/(losses)	6,102	(684)	2,295	6,357
Share of results of associated companies (including share of fair value (losses)/gains on investment properties)	(3,871)	38,599	33,449	45
Profit before income tax	2,231	37,915	35,744	6,402
Income tax credits/(expenses)	834	1,065	576	(3,254)
Profit and total comprehensive income for the year/period attributable to the equity holders of the Company	3,065	38,980	36,320	3,148
Earnings per Share (<i>HK\$</i>) (<i>Basic and diluted</i>)	0.03	0.32	0.30	0.03

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1H2023 compared with 1H2022

The Group recorded total revenue of approximately HK\$30.4 million for 1H2023, representing an increase of approximately HK\$26.8 million or 741.0% as compared to that for 1H2022. According to the 2023 IR, such increase in revenue was mainly attributable to the recognition of sales of completed properties held for sale of approximately HK\$25.0 million for 1H2023 (1H2022: nil) as a result of the disposal by a subsidiary of the Group of its interest in one workshop and two carparks in Kwai Chung. As a result of the said increase in revenue in 1H2023, which is due to an one-off incident from the sales of properties, being partially net-off from the change in fair value in investment properties from gain of approximately HK\$3.0 million in 1H2022 to loss of approximately HK\$7.1 million in 1H2023 and net exchange losses arising from the significant depreciation in the exchange rate of RMB/HK\$ of approximately HK\$9.0 million in 1H2023 compared to net exchange gain of approximately HK\$1.5 million in 1H2022, operating profits increased from approximately HK\$2.3 million in 1H2022 to approximately HK\$6.4 million in 1H2023. The profit for the period attributable to equity holders of the Company decreased significantly from approximately HK\$36.3 million for 1H2022 to approximately HK\$3.1 million for 1H2023, which was mainly due to significant decrease in share of results of associated companies from approximately HK\$33.4 million in 1H2022 to approximately HK\$45,000 in 1H2023 resulting from the fair value losses of approximately HK\$13.6 million being recorded upon the revaluation of its associated companies' investment properties in 1H2023 against the corresponding fair value gains of approximately HK\$15.5 million in 1H2022. As at 30 September 2022, the Group has remaining investment properties held through its subsidiaries and including itself of approximately HK\$213.2 million and held through its associated companies of approximately HK\$640.1 million, which the remaining investment properties held through its subsidiaries and including itself are generally residential properties in Hong Kong and for those held through its associated companies consisted of residential and commercial properties in Hong Kong. Upon revaluation of these investment properties as at 31 January 2023, the values of the remaining investment properties held through its subsidiaries and including itself and associated companies slightly decreased to approximately HK\$213.1 million and approximately HK\$639.9 million, representing a minimal decrease of approximately 0.05% and 0.03%, respectively, when compared with those recorded as at 30 September 2022. It should be noted that changes in the market value of the investment property portfolio of the Group may have a material impact on the financial performance of the Group for any financial year due to the requirement under relevant accounting standards for investment properties, which mandates the recognition in profit or loss consequent to any fair value change in investment properties during the relevant period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

FY2022 compared with FY2021

The Group recorded total revenue of approximately HK\$7.8 million for FY2022, representing a decrease of approximately HK\$1.4 million or 14.9% as compared to that in FY2021. According to the 2022 AR, such decrease in revenue was mainly attributable to the interest income and rental income recorded in FY2022 being lower than those in FY2021 by approximately HK\$0.6 million and HK\$0.7 million, respectively, as the business of the Group was directly affected by the fifth wave of COVID-19, which emerged in early 2022 which affected the overall rental income received by the Group. The profit for the year attributable to equity holders of the Company increased from approximately HK\$3.1 million for FY2021 to approximately HK\$39.0 million for FY2022, which was mainly contributed by a share of profit from the associated companies of approximately HK\$38.6 million in FY2022 compared to a corresponding loss of approximately HK\$3.9 million in FY2021 due to fair value change of investment properties held by the associated companies.

Financial position of the Group

Set out below is a summary of (i) the unaudited consolidated financial position of the Group extracted from the 2023 IR; and (ii) the audited consolidated financial positions of the Group extracted from the 2021 AR and the 2022 AR:

	As at 31 March 2021 (audited) HK\$'000	As at 31 March 2022 (audited) HK\$'000	As at 30 September 2022 (unaudited) HK\$'000
Non-current assets	1,014,267	1,043,263	1,036,649
– Investment properties	220,200	220,300	213,200
– Investments in associated companies	788,927	816,817	816,862
– Deferred income tax assets	5,140	6,146	6,587
	<u>1,014,267</u>	<u>1,043,263</u>	<u>1,036,649</u>
Current assets	318,332	319,943	318,847
– Completed properties held for sale	1,457	1,457	696
– Amount due from associated companies	33,074	38,232	38,284
– Trade and other receivables	908	1,172	1,555
– Tax recoverable	7	3	–
– Financial assets at fair value through profit or loss	1,671	1,466	994
– Cash and bank balances	281,215	277,613	277,318
	<u>318,332</u>	<u>319,943</u>	<u>318,847</u>
Total assets	<u>1,332,599</u>	<u>1,363,206</u>	<u>1,355,496</u>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 March 2021 (audited) HK\$'000	As at 31 March 2022 (audited) HK\$'000	As at 30 September 2022 (unaudited) HK\$'000
Non-current liabilities	955	897	987
– Deferred income tax liabilities	<u>955</u>	<u>897</u>	<u>987</u>
Current liabilities	72,066	104,877	121,750
– Amounts due to associated companies	68,070	98,066	113,066
– Trade and other payables	3,996	6,811	5,083
– Income tax payable	<u>–</u>	<u>–</u>	<u>3,601</u>
Total liabilities	<u>73,021</u>	<u>105,774</u>	<u>122,737</u>
Capital and Reserves			
– Share capital	78,624	78,624	78,624
– Retained profits	<u>1,180,954</u>	<u>1,178,808</u>	<u>1,154,135</u>
Total equity	<u>1,259,578</u>	<u>1,257,432</u>	<u>1,232,759</u>

As at 31 March 2022

As at 31 March 2022, the total assets of the Group mainly comprised investments in associated companies, which accounted for approximately 59.9% of its total assets, was approximately HK\$816.8 million when compared to approximately HK\$788.9 million as at 31 March 2021. Such slight increase was mainly due to the sharing of results of its associated companies during the financial year. The Group's cash and bank balances amounted to approximately HK\$277.6 million as at 31 March 2022, which accounted for approximately 20.4% of the total assets of the Group.

As at 31 March 2022, the total liabilities of approximately HK\$105.8 million, comprising amounts due to associated companies of approximately HK\$98.1 million which accounted for approximately 92.7% of the total liabilities as at 31 March 2022, represented an increase of approximately HK\$30.0 million or 44.1% as compared to the same of approximately HK\$68.1 million as at 31 March 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded net assets of approximately HK\$1,257.4 million as at 31 March 2022, which represented a slight decrease of approximately HK\$2.2 million or 0.2% from net assets of approximately HK\$1,259.6 million as at 31 March 2021.

As at 30 September 2022

As at 30 September 2022, the total assets of the Group was approximately HK\$1,355.5 million, which decreased by approximately HK\$7.7 million or 0.6% when compared with its total assets of approximately HK\$1,363.2 million as at 31 March 2022. Such decrease was mainly due to the decrease in investment properties of approximately HK\$7.1 million due to the change in fair values of investment properties. The Group's cash and bank balances amounted to approximately HK\$277.3 million as at 30 September 2022, which accounted for approximately 20.5% of the total assets of the Group.

As at 30 September 2022, the total liabilities of the Group was approximately HK\$122.7 million, which comprised the amounts due to associated companies of approximately HK\$113.1 million, representing approximately 92.2% of the total liabilities of the Group. There was an increase in the amounts due to associated companies of approximately HK\$15.0 million or 15.3% when compared with that of approximately HK\$98.1 million as at 31 March 2022. Such increase was mainly due to distribution of surplus fund of approximately HK\$15.0 million from associated companies.

The Group recorded net assets of approximately HK\$1,232.8 million as at 30 September 2022, which represented a slight decrease of approximately HK\$24.6 million or 2.0% from net assets of approximately HK\$1,257.4 million as at 31 March 2022.

3. Information on the Offeror and parties acting in concert with it

The Offeror

The Offeror is an investment holding company incorporated on 28 April 2022 under the Companies Ordinance with limited liability and has not carried out any business. Each of the Cheung Brothers is a director of, and legally and beneficially owns 10 issued shares (representing one-third of the total number of issued shares) in the capital of, the Offeror. The Cheung Brothers are also the controlling shareholders of the Company and each of them is an executive Director. As at the Latest Practicable Date, the Cheung Brothers and Humphrey Group, a company indirectly held and controlled by Mr. KW Cheung, his spouse and their two children, held 64,644,960 Shares, representing approximately 53.44% of the total issued Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Each of the Cheung Brothers as a director of the Offeror together with his close relatives is presumed to be acting in concert with the Offeror in relation to the Offer in accordance with class 2 of the definition of “acting in concert” under the Takeovers Code. Such close relatives include the siblings of the Cheung Brothers. As at the Latest Practicable Date, the Cheung Brothers had 13 other siblings, of which three of them came from the same household of their late father and had the same natural mother as the Cheung Brothers, and the remaining 10 siblings came from a different household of their late father and were the offspring of or adopted by their late father and his another spouse (the “**Half-Siblings**”). Based on the information contained in the Company’s share register, as at the Latest Practicable Date, the Half-Siblings held an aggregate of 4,933,640 Shares under their personal names (representing approximately 4.08% of the total issued Shares).

The Cheung Brothers are not in fact acting in concert with the Half-Siblings as they come from two separate households and their relationships are less than harmonious given their respective camps have been involved in prolonged civil proceedings over the estate of their late father back in 2005 which were litigated all the way up to the Court of Final Appeal of Hong Kong. None of the Half-Siblings is a member of the Offeror Concert Parties.

The principal parties acting in concert with the Offeror

The Offeror, the Cheung Brothers, their spouses, children, siblings (except the Half-Siblings) and related trusts, and the companies controlled by the Cheung Brothers, their spouses, children, siblings (except the Half-Siblings) and related trusts, or any of them, are presumed to be acting in concert under the Takeovers Code.

The Cheung Brothers, Biochoice Limited, Humphrey Group, Pullfield Company Limited, Profit-taking Company Inc. and Megabest Securities Limited are the principal parties acting in concert with the Offeror.

Humphrey Group is a company indirectly held and controlled by Mr. KW Cheung, his spouse and their two children through Biochoice Limited. Humphrey Group and Biochoice Limited are presumed to be acting in concert with the Offeror under the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pullfield Company Limited is a direct wholly owned subsidiary of Profit-taking Company Inc. which, in turn, is a direct wholly owned subsidiary of Megabest Securities Limited. All issued shares of Megabest Securities Limited are held by the estate of Madam Chin Lan Hong, the late mother of the Cheung Brothers, the grant of probate of which is under court process in the BVI. The Cheung Brothers are beneficiaries under the estate of their late mother and are the directors of each of Pullfield Company Limited, Profit-taking Company Inc. and Megabest Securities Limited. Pullfield Company Limited, Profit-taking Company Inc. and Megabest Securities Limited are presumed to be acting in concert with the Offeror under the Takeovers Code.

Please refer to the section headed “4. Shareholding structure of the Company” as contained in the “Letter from the Joint Financial Advisers” for the number of Shares held by the Offeror and the Offeror Concert Parties.

4. Intentions of the Offeror regarding the Group

Trading in the Shares has been suspended since 15 September 2022. The resumption of trading in the Shares is subject to the Company’s satisfaction of all resumption guidance set out by the Stock Exchange to demonstrate its compliance with Rule 13.24 of the Listing Rules and its suitability for continued listing, remediation of the issues causing the trading suspension and full compliance with the Listing Rules. Please refer to the announcements of the Company dated 11 October 2022 and 14 December 2022 for details. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. The relevant 18-month period for the Company will expire on 14 March 2024. If the Company fails to remedy the issues causing its trading suspension, fulfil the resumption guidance of the Stock Exchange and fully comply with the Listing Rules to the Stock Exchange’s satisfaction and resume trading in the Shares by 14 March 2024, the Listing Division will recommend the Listing Committee to proceed with the cancellation of the Company’s listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period, where appropriate.

It is the intention of the Offeror, together with the Offeror Concert Parties, that the Group will continue to operate its business in substantially its current state whilst the Company explores and considers available opportunities and options in formulating a feasible plan for the resumption of trading in the Shares. The Offeror, together with the Offeror Concert Parties, has no intention to (a) discontinue the employment of the employees; or (b) dispose of or re-deploy the assets of the Group other than in its ordinary course of business for the purpose of facilitating the resumption of trading in the Shares. The Offeror noted that, following the uphold of the Decision by the Listing Committee to suspend trading in the Shares in September 2022, the Company has been taking appropriate steps to resolve the issues causing its trading suspension but, in light of the complexity of the issues and the resources to be involved, it might take a substantial amount of time for the Company to formulate a resumption plan for consideration by the Stock Exchange.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of the uncertainty associated with the prolonged suspension of trading in the Shares and the risk of a cancellation of the Company's listing if the resumption requirements of the Stock Exchange could not be met in full to the satisfaction of the Stock Exchange on or before the prescribed time limit, the Offeror intends to provide the Offer Shareholders, by way of the Offer, with a readily accessible opportunity to realising their respective investments in the Shares in return for cash at a fair and reasonable price. As stated in the Joint Announcement and this Composite Document, the Offeror does not have any intention to make any application for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules as the Offer is not a "takeover offer" within the meaning of the Companies Ordinance on the ground that the Offer Shares will not represent all the issued Shares not held by the Offeror at the time of the making of the Offer and therefore, no right to compulsory acquisition will arise.

5. Reasons for, and benefits of, the Offer

Prior to the Decision, the Company made several submissions to the Stock Exchange during the period from 27 August 2021 to 30 March 2022 putting forward its proposal to resolve the issues causing the trading suspension of the Shares and ensure full compliance with Rule 13.24 of the Listing Rules. It was submitted that the Company would (i) increase its shareholding in a material associated company (and converting the same to become a subsidiary) and enter into a management agreement to manage the underlying real property, and (ii) reconstitute the Company's representatives on the boards of the associated companies. Despite the Company's efforts in formulating such a plan to ease the Stock Exchange's concerns in respect of the compliance by the Company with Rule 13.24 of the Listing Rules, the Stock Exchange did not accept the proposal and considered that the transactions contemplated under such proposal could not address their concerns as detailed in the Decision. The Company formally requested for the Decision to be reviewed by the Listing Committee on 20 June 2022 and the Listing Committee, having considered all the submissions (both written and oral) made by the Company and the Listing Division subsequent to the Decision, upheld the Decision to suspend trading of the Shares in accordance with Rules 6.01(3) and 6.01(4) of the Listing Rules. Trading in the Shares has been suspended as a result of the Decision since 15 September 2022. Information relating to the resumption guidance given by the Stock Exchange has also been set out in the Company's announcement dated 11 October 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Although the Company has different point of views on the Decision and considered that the Decision as undesirable, the Company decided not to make a request for the Decision to be referred to the Listing Committee of the Stock Exchange for further review and continue with its efforts in exploring opportunities and options available in formulating a viable resumption plan for the consideration by the Stock Exchange. As there is no assurance that any resumption proposal put forward by the Company to the Stock Exchange for their consideration would materialise, the Offeror, representing the controlling shareholders of the Company, proceeded to put forward the Offer for the Offer Shareholders' consideration so as to provide the Offer Shareholders an opportunity to realise their investments in the Company and mitigate the uncertainties and risks associated with the potential cancellation of the listing status of the Company.

Whilst the Company is taking appropriate steps to resolve the issues causing its trading suspension and, in light of the complexity of the issues and the resources to be involved, has been in discussions with its professional advisers to explore and consider opportunities and options available to the Company in formulating a viable resumption plan, there is, however, no material development in this regard according to the Company's latest announcement on quarterly update on progress of resumption dated 14 March 2023 and up to the Latest Practicable Date.

Given that the Stock Exchange rejected the Company's previous proposal to resolve the issues causing the trading suspension of the Shares and ensure full compliance with Rule 13.24 of the Listing Rules by adjusting its group structure and existing property management business, and reconstituting its control or influence on the boards of directors of its associated companies, the management of the Company reasonably believes that, in order to comply with Rule 13.24 of the Listing Rules so as to warrant the continued listing of the Shares on the Stock Exchange, it would inevitably entail making substantial investments by the Company within a relatively short period of time, which deviates from the conservative approach taken by the Company in making investment decisions given the uncertainties on economic outlook promulgated by the current high inflation economic environment which led to tightening fiscal policies being implemented on a global basis as discussed in the sub-section headed "*2(a) Principal business and prospects of the Group*". As the Company has been prudent and cautious over its re-allocation of resources in order to safeguard the values and interests of the Company and the Shareholders as a whole, and in light of the complexity of the issues and the enormous resources to be involved in the evaluation process of different alternatives for any resumption proposal to be put forward by the Company to Stock Exchange, it has yet to recalibrate and adjust the business plan of the Group, nor has it encountered any suitable investments or business diversification opportunities. Having said that, the Company is well aware of the deadline on 14 March 2024 for any remedial actions to be taken resolving the issues which caused the suspension of trading of its Shares. In the event that no viable resumption proposal could be finalised by such deadline, the Listing Division would recommend the Listing Committee to proceed with the cancellation of the Company's listing on the Stock Exchange.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We remind the Offer Shareholders that if the listing status of the Company is eventually cancelled by the Stock Exchange, they will be holding the Shares of an unlisted public/private company, where trading of the Shares will no longer be easily accessible and no information transparency as compared to the platform offered by the Stock Exchange.

The Offeror believes that the Offer Price (a) represents a premium to the prices at which the market had valued the Group given that during the six-month period preceding the Last Trading Day, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange was HK\$4.833 on 31 August 2022 and HK\$3.280 on 7 September 2022, respectively, and the historically highest closing price of the Shares as quoted on the Stock Exchange from 16 September 2021 to the Last Trading Day was HK\$4.978; and (b) has reflected, if not over-rated, reflects the potential value of the business of the Group in the next few years under its current state with reference to (a) the lack-lustre historical performance of the share prices of the Company prior to the suspension of trading in the Shares, (b) the Company's increasing delisting risk and a lack of progress in any resumption plan to date, and (c) the macroeconomic environment in Hong Kong being unfavourable to the property sector including rising interest rate and population outflow. The Offeror also takes the view that the Offer provides an opportunity for the Offer Shareholders to immediately realise their investments and mitigate the uncertainty and risk mentioned in the section headed "*4. Intentions of the Offeror regarding the Group*" above and therefore allows the Offer Shareholders a chance to redeploy capital from accepting the Offer into other investment opportunities that they may consider more attractive in the current market environment provided the uncertainty associated with the prolonged suspension of trading in the Shares on the Stock Exchange since 15 September 2022 and the high likelihood of cancellation of the Company's listing if the resumption requirements of the Stock Exchange could not be met in full to the satisfaction of the Stock Exchange on or before the prescribed time limit, i.e. by 14 March 2024.

We take note of the above reasons for and benefits of the Offer and wish to highlight to the Offer Shareholders that they need to strike a balance between (a) retaining a stake in the Group, which as abovementioned, if any plan for resumption of trading of the Shares does not materialise for whatever reasons, the Listing Division would recommend the Listing Committee to proceed with the cancellation of the Company's listing on the Stock Exchange and accordingly, it will create further obstacle for the Offer Shareholders to dispose of the Shares; and (b) receiving immediate cash proceeds by accepting the Offer at a reasonable Offer Price, the amount of which can then be deployed towards other investments.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

6. Analysis of the Offer Price

(a) *Comparison of the Offer Price*

The Offer Price of HK\$6.00 per Offer Share represents:

- (i) a premium of approximately 36.36% over the closing price of HK\$4.400 per Share as quoted on the Stock Exchange on the Last Trading Day (the trading of the Shares was suspended after the Last Trading Day) and remained suspended as at the Latest Practicable Date;
- (ii) a premium of approximately 62.78% over the average closing price of approximately HK\$3.686 per Share based on the daily closing prices as quoted on the Stock Exchange for the five trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 41.98% over the average closing price of approximately HK\$4.226 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 40.81% over the average closing price of approximately HK\$4.261 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 40.25% over the average closing price of approximately HK\$4.278 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days immediately prior to and including the Last Trading Day;
- (vi) a premium of approximately 40.15% over the average closing price of approximately HK\$4.281 per Share based on the daily closing prices as quoted on the Stock Exchange for the 120 trading days immediately prior to and including the Last Trading Day;
- (vii) a premium of approximately 36.30% over the average closing price of approximately HK\$4.402 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days immediately prior to and including the Last Trading Day;
- (viii) a discount of approximately 42.28% to the audited consolidated net asset value per Share of approximately HK\$10.395 as at 31 March 2022, calculated based on the Group's audited consolidated total equity of approximately HK\$1,257.4 million as at 31 March 2022 as shown in the 2022 AR and 120,960,000 Shares in issue as at the Latest Practicable Date;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ix) a discount of approximately 41.12% to the unaudited consolidated NAV per Share of approximately HK\$10.191 as at 30 September 2022, calculated based on the Group's unaudited consolidated total equity of approximately HK\$1,232.8 million as at 30 September 2022 as shown in the 2023 IR and 120,960,000 Shares in issue as at the Latest Practicable Date; and
- (x) a discount of approximately 61.37% to the Adjusted NAV per Share of approximately HK\$15.531 as at 31 January 2023.

The Adjusted NAV was determined by adjusting the amount of unaudited consolidated net asset value of the Group attributable to Shareholders as at 30 September 2022 with the amount of fair value gain arising from valuation of the property interests of the Group attributable to the Shareholders as at 31 January 2023. Your attention is drawn to the summary of the property valuation as set out in “*Appendix III – Property Valuation of the Group*” to this Composite Document from C S Surveyors pursuant to Rule 11 of the Takeovers Code providing an updated valuation of the property interests of the Group and its associated companies as at 31 January 2023. Your attention is also drawn to the section headed “*4. Property Interests and Adjusted Net Asset Value*” as set out in “*Appendix II – Financial Information of the Group*” to this Composite Document which provides details of the computation of the Adjusted NAV, taking into account, among other things, the fair value gain arising from the valuation of the property interests of the Group and its associated companies and the deferred taxes payable on the attributable fair value gain.

As the trading of the Shares on the Stock Exchange has been suspended since 15 September 2022, no comparison of value can be made with the closing price per Share on (a) 13 March 2023, being the last Business Day prior to publication of the Joint Announcement; and (b) the Latest Practicable Date. However, we consider the historical closing prices of the Company as illustrated above to be relevant as references for comparison purpose because (a) they represented the last market values on the Company as assessed by the investors; and (b) there has been no material change on the business operations and prospects of the Company since the suspension of trading in the Shares which is likely to have a material impact on the market valuation of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We noted that, in particular, the Offer Price represents (a) a significant premium to each of the closing prices of the Shares as illustrated above; and (b) significant discounts of approximately 42.48%, 41.12% and 61.37% to the audited consolidated NAV of the Company per Share as at 31 March 2022, unaudited consolidated NAV of the Company per Share as at 30 September 2022 and the Adjusted NAV based on Shares in issue as at the Latest Practicable Date, respectively.

We have taken into consideration various principal factors in our assessment on the fairness and reasonableness of the terms of the Offer. These include, among others, our analysis on the significant discounts when comparing the Offer Price with the NAVs per Share at relevant times.

(b) Analysis on discount to NAVs

For asset-based companies such as property investment companies listed in Hong Kong, discount to NAV analysis, which is also known as price-to-book ratios (the “**P/B ratio(s)**”), is the more commonly used approach for valuation purpose given that earnings of property investment companies are likely to fluctuate substantially depending on (i) the timing of the sales of property projects; and (ii) fair value movements of investment properties during the relevant period, which may lead to possible distortions on the results of price-to-earnings ratios (the “**P/E ratio(s)**”) analysis.

As disclosed in the Group’s consolidated financial results for the six months ended 30 September 2022, there was a decline in fair value of investment properties of the Group in the amount of approximately HK\$7.1 million when compared with a gain of approximately HK\$3.0 million for the six months ended 30 September 2021, representing a significant decrease of approximately HK\$10.1 million or 336.7%. The decline in fair value of investment properties of the Group for the six months ended 30 September 2022 was equivalent to more than two times the profit after tax for the same period. This may lead to ambiguity results in the event that P/E ratio(s) analysis is adopted and as the Group is an asset-based property group, the conventional practice would be to evaluate the Offer Price against the net asset backing of the Group.

In assessing the fairness and reasonableness of the terms of the Offer, apart from the premium of the Offer Price over the closing prices of the Shares, we also considered the discount to NAV, which is calculated based on the Offer Price to the Adjusted NAV per Share for the Company, to be one of the more important and relevant benchmarks. Accordingly, we have attempted to conduct an analysis by comparing the implied P/B ratio of the Company based on the Offer Price with those of other comparable companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Given that the Group (i) is listed on the Main Board of the Stock Exchange and had a market capitalisation of approximately HK\$518.91 million based on the closing price of HK\$4.400 per Share as quoted on the Stock Exchange on the Last Trading Day and an implied market capitalisation of approximately HK\$725.76 million based on the Offer Price; (ii) headquartered in Hong Kong and is principally engaged in property development, investment and management; and (iii) derived over 50% of its total revenue from leasing of investment properties and related management service (the “**Relevant Segment**”) during the most recent financial reporting period, we set the following criteria for the purpose of our selection of comparable companies which (i) are listed on the Main Board of the Stock Exchange; (ii) headquartered in Hong Kong and engage in businesses similar to those of the Group; (iii) had a market capitalisation between HK\$100 million and HK\$1 billion as at the Latest Practicable Date; and (iv) derived over 50% of revenue from the Relevant Segment during the latest full financial year. Based on these selection criteria, we have been able to identify an exhaustive list of six comparable companies as the relevant benchmarks for the purpose of this analysis (the “**Comparable Companies**”). The table below sets out, among other things, the discount to NAV and the P/B ratio of each of the Comparable Companies, and the implied discount to the Adjusted NAV and the implied P/B ratio of the Company:

Company name (stock code)	Principal Business	Market capitalisation (approximately) <i>(Note 1)</i> HK\$'million	NAV (approximately) <i>(Note 2)</i> HK\$'million	P/B ratio (approximately) <i>(Note 3)</i>	Discount to NAV (approximately) <i>(Note 4)</i>
Safety Godown Company Limited (237)	Investment holding and treasury investment	818.10	3,869	0.21	78.86
Pokfulam Development Company Limited (225)	Property investment including letting and management of commercial, industrial and residential properties and trading of visual and sound equipment, and home appliances	936.52	5,480	0.17	82.91
Asiasec Properties Limited (271)	Property investment, property leasing and estate management	217.12	1,599	0.14	86.42
Winfair Investment Company Limited (287)	Property and security businesses including securities investment segment, property leasing segment and property development segment	280.00	1,142	0.25	75.48
Zhongchang International Holdings Group Limited (859)	Property investment and leasing of properties	191.25	1,055	0.18	81.87
Wing Lee Property Investments Limited (864)	Property investment	152.54	928	0.16	83.56
Maximum				0.25	86.42
Minimum				0.14	75.48
Average				0.18	81.52
Median				0.18	82.39
The Company (278)		725.76 <i>(Note 5)</i>	1,879	0.58 <i>(Note 6)</i> 0.59 <i>(Note 7)</i> 0.39 <i>(Note 8)</i>	42.48 <i>(Note 6)</i> 41.12 <i>(Note 7)</i> 61.37 <i>(Note 8)</i>

Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk) and the respective annual/interim report of the listed companies

Notes:

- Market capitalisation is calculated based on (i) the total number of shares in issue and (ii) the closing share price of the respective companies as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. The latest published consolidated NAV attributable to equity holders of the Comparable Companies as set out in their respective latest financial report available as at the Latest Practicable Date.
3. The P/B Ratios of the Comparable Companies are calculated based on (i) their respective market capitalisation as at the Latest Practicable Date and divided by (ii) the NAV attributable to the owners of the respective companies as set out in their respective latest financial report available as at the Latest Practicable Date.
4. The discount to NAV(s) of the Comparable Companies are calculated with reference to their P/B ratios.
5. The implied market capitalisation of the Company is calculated based on (i) the Offer Price of HK\$6.00 multiplied by total number of issued Shares of 120,960,000 of the Company as at the Latest Practicable Date.
6. The implied P/B ratio and discount to NAV of the Company is calculated based on (i) the Offer Price of HK\$6.00 multiplied by total number of issued Shares of 120,960,000 as at the Latest Practicable Date and then divided by (ii) audited equity attributable to the owners of the Company of approximately HK\$1,257.4 million as at 31 March 2022 as shown in the 2022 AR.
7. The implied P/B ratio and discount to NAV of the Company is calculated based on (i) the Offer Price of HK\$6.00 multiplied by total number of issued Shares of 120,960,000 as at the Latest Practicable Date and then divided by (ii) unaudited equity attributable to the owners of the Company of approximately HK\$1,232.8 million as at 30 September 2022 as shown in the 2023 IR.
8. The implied P/B ratio and discount to NAV of the Company is calculated based on (i) the Offer Price of HK\$6.00 multiplied by total number of issued Shares of 120,960,000 as at the Latest Practicable Date and then divided by (ii) the Adjusted NAV of approximately HK\$1,878.6 million as set out in “Appendix II – Financial Information of the Group” in this Composite Document.

Based on the above table, the discounts to NAVs of the Comparable Companies range from approximately 75.48% to 86.42% and with an average and median of approximately 81.52% and 82.39%, respectively, and the discount to Adjusted NAV of the Company is approximately 61.37%, which is lower than the discounts to NAVs of the Comparable Companies ranging from approximately 75.48% to 86.42%.

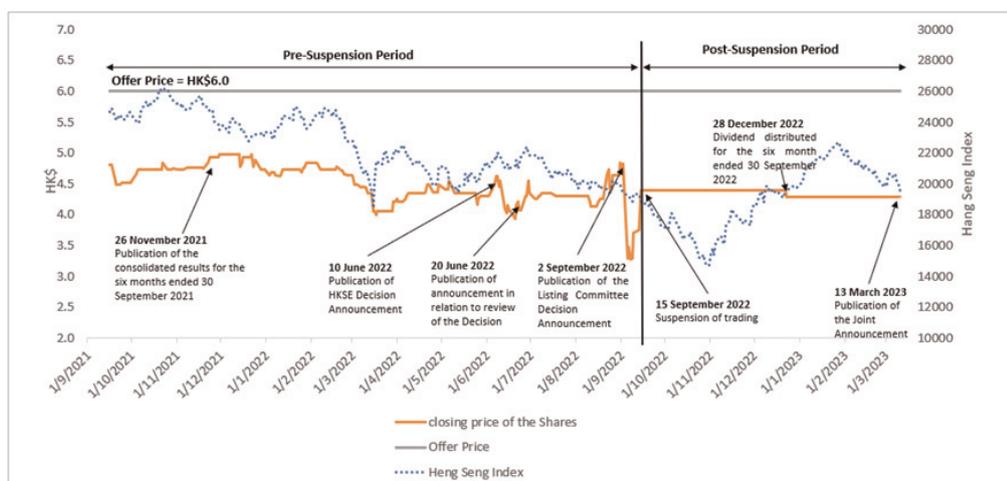
We also noted that the P/B ratios of the Comparable Companies ranged from approximately 0.14 to 0.25 times and the implied P/B ratio of the Company of approximately 0.39, 0.58 and 0.59 times are all substantially higher than those of the Comparable Companies.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Accordingly, we are of the opinion that the Offer Price, with reference to (a) the premium over each of the aforesaid closing prices of the Shares; and (b) our analysis on the discount to NAV and P/B ratio(s), is fair and reasonable so far as the Offer Shareholders are concerned.

(c) *Historical price performance of the Shares*

Set out below is the graph illustrating the daily closing prices of the Shares quoted on the Stock Exchange during (i) the period commencing on 16 September 2021, being approximately twelve months prior to the Last Trading Day and ending on the Last Trading Day (the “**Pre-suspension Period**”); and (ii) the period commencing on 15 September 2022, being the date on which trading of the Shares were suspended, and ending on the Latest Practicable Date (the “**Post-suspension Period**”) (collectively, the “**Review Period**”). We consider the Review Period to be a reasonable, representative and sufficient period to illustrate the general trend and level of movements of recent closing prices of the Shares and the relationship between the historical trend of the closing price of the Shares and the Offer Price.



Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk)

As illustrated in the graph above, over the Review Period, the closing price of the Shares ranged from the lowest closing price of HK\$3.280 per Share as recorded on 7 September 2022 to the highest closing prices of HK\$4.978 per Share as recorded on 30 November 2021, 1 to 3 December 2021, 6 to 10 December 2021, 13 December 2021 and 22 December 2021, respectively. The average closing price of the Shares for the Review Period was approximately HK\$4.453.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The closing prices of the Shares showed a general downward trend and were traded within the range of HK\$3.934 to HK\$4.978 throughout the Pre-suspension Period, which was generally in line with the downward trend of the Heng Seng Index over the same period.

There were significant fluctuations on the closing prices after the Company published the Listing Committee Review Announcement before trading in the Shares were suspended on 14 September 2022. The Shares closed at HK\$4.400 on the Last Trading Day.

For the period commencing on the day following the Last Trading Day and ending on the Latest Practicable Date, the trading of the Shares was suspended and despite there were significant fluctuations on the Heng Seng Index, there was no material change in the last trading price of the Shares save and except for the adjustment made to the Share quoted price in relation to the dividends distribution on 28 December 2022.

By taking in consideration that the Offer Price represents (a) a premium of approximately 82.93% to the lowest closing price of the Shares; (b) a premium of approximately 20.53% to the highest closing price of the Shares; (c) a premium of approximately 34.74% to the average closing price of the Shares during the Review Period, together with the facts that (a) trading of the Shares has been suspended which effectively means that there would not be any higher closing price of the Shares when compared with the Offer Price until the end of the Offer Period; and (b) the closing prices of the Shares were significantly lower than the Offer Price throughout the Review Period, we are of the view that the Offer Price is fair and reasonable so far as the Offer Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(d) Liquidity of the Shares

Set out below is the table illustrating the daily trading volume of the Shares quoted and the percentages of the relevant average daily trading volume to the total number of Shares in issue during the Review Period:

Monthly	Number of trading days	Total trading volume (Number of Shares)	Average daily trading volume (Number of Shares)	Percentage of average daily trading volume to total number of Shares in issue	Percentage of average daily trading volume to total number of Shares held by the Offer Shareholders
				(%) (Note 1)	(%) (Note 2)
2021					
September (Note 3)	10	12,000	1,200	0.00%	0.00%
October	18	22,000	1,222	0.00%	0.00%
November	22	4,000	182	0.00%	0.00%
December	22	60,000	2,727	0.00%	0.00%
2022					
January	21	183,600	8,743	0.01%	0.02%
February	17	22,000	1,294	0.00%	0.00%
March	23	156,000	6,783	0.01%	0.01%
April	18	40,000	2,222	0.00%	0.00%
May	20	14,000	700	0.00%	0.00%
June	21	922,688	43,938	0.04%	0.08%
July	20	302,000	15,100	0.01%	0.03%
August	23	134,400	5,843	0.00%	0.01%
September (Note 4)	9	1,524,560	169,396	0.14%	0.30%
For the Review Period:					
Maximum		1,524,560	169,396	0.14%	0.30%
Minimum		4,000	182	0.00%	0.00%
Average		261,327	19,950	0.02%	0.04%

Source: Website of the Stock Exchange (www.hkex.com.hk)

Notes:

- The calculation is based on (i) the average daily trading volume divided by (ii) the total number of issued Shares as disclosed in the monthly return of movements in securities of the Company.
- The calculation is based on (i) the average daily trading volume divided by (ii) the total number of issued Shares held by the Offer Shareholders as at the Latest Practicable Date, i.e. 56,315,040 Shares.
- Commencing from 16 September 2021 up to and including 30 September 2021.
- Trading of Shares was suspended from 15 September 2022 and remained suspended as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As illustrated in the above table, the liquidity of the Shares was very low during the Review Period. The average daily trading volume of the Shares ranged from nil to approximately 0.14% of the total number of issued Shares over the Review Period. The average daily trading volume of the Shares during the Review Period was minimal of approximately 19,950 Shares, representing approximately 0.02% of the total number of issued Shares.

Notwithstanding that the trading of the Shares has been suspended since 15 September 2022, given the low liquidity of the Shares and in the event that the trading of the Shares resumes as a result of the Company's satisfaction of all resumption guidance set out by the Stock Exchange and full compliance with the Listing Rules, the Offer Shareholders should be aware that if they wish to sell a significant number of the Shares within a short period in the market, it is possible that any significant selling may exert downward pressure to the market price of the Shares. Accordingly, we consider that the Offer provides an opportunity for the Offer Shareholders to dispose of their shareholdings in its entirety at the Offer Price.

(e) Pricing of recent voluntary cash offers

In assessing the fairness and reasonableness of the terms of the Offer, we also considered the pricing of other recent voluntary cash offers announced within 12 months prior to the publication of the Joint Announcement and up to and including the Latest Practicable Date.

We intentionally excluded privatisations and mandatory cash offers in our analysis given the difference in nature of such transactions with voluntary cash offers and the fact that the Offeror has expressly stated that they do not have any intention to make any application for the withdrawal of the listing of the Shares on the Stock Exchange as the Offer is not a "takeover offer" within the meaning of the Companies Ordinance on the ground that the Offer Shares will not represent all the issued Shares not held by the Offeror at the time of the making of the Offer and therefore, no right to compulsory acquisition will arise.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We were able to identify an exhaustive list of four voluntary cash offers of other listed companies in Hong Kong within 12 months prior to the publication of the Joint Announcement and up to and including the Latest Practicable Date for comparison purpose. Nevertheless, out of these four comparable voluntary cash offer transactions, there was no transaction relating to listed companies which engage in similar business(es) as the Company or are asset-based property companies. Accordingly, we could only limit our analysis on these voluntary cash offers from a pricing perspective.

We set out below a summary of the selected comparable companies which were the subjects of voluntary cash offers within 12 months prior to the publication of the Joint Announcement and up to and including the Latest Practicable Date:

Company name (stock code)	Date of initial announcement	Date of composite document	Principal business	Offer price (HK\$)	Implied market capitalisation based on the offer price (Note 1) (HK\$'million)	Closing price per share quoted on the Stock Exchange on the last trading day (the "LTD Price") (HK\$)	Premium of offer price over/(to) the LTD Price (%)	Premium of offer price over the average closing price of 5 trading days immediately prior to and including the LTD Price (%)	Premium of offer price over the average closing price of 10 trading days immediately prior to and including the LTD Price (%)	Premium of offer price over the average closing price of 30 trading days immediately prior to and including the LTD Price (%)
Giordano International Limited (709)	23 June 2022	15 August 2022	Retail and distribution of apparel	1.88	2,969.9	1.59	18.24	19.74	18.24	15.69
CASH Financial Services Group Limited (510)	30 June 2022	16 September 2022	Provision of online and traditional brokerage of securities, futures and options as well as general and life insurance, mutual funds and mandatory provident fund products, proprietary trading of debt and equity securities and derivatives, provision of margin financing and money lending services, and provision of asset management services.	0.42	109.7	0.34	25.37	58.73	49.41	33.16
Mason Group Holdings Limited (273)	14 September 2022	21 October 2022	Securities investment business	0.031	1,379.7	0.023	35.20	21.48	26.42	23.41
Jinke Smart Services Group Co., Ltd. (9666)	27 September 2022	24 October 2022	Provision of space property management services, community value-added services, local catering services and smart living technology solutions in the PRC	12.00	7,834.2	9.02	33.04	36.83	25.92	13.42
					Maximum		35.20	58.73	49.41	33.16
					Minimum		18.24	19.74	18.24	13.42
					Average		27.96	34.20	30.00	21.42
					Median		29.21	29.16	26.17	19.55
The Company				6.00	725.8 ^(Note 2)	4.400	36.36	62.78	51.55	41.98

Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk)

Notes:

- The calculation of implied market capitalization is based on the offer price multiplied by the number of issued shares of the company as at the date of respective offer announcement of the comparable voluntary cash offer transactions.
- The implied market capitalisation of the Company is calculated based on (i) the Offer Price of HK\$6.00 multiplied by total number of issued Shares of 120,960,000 of the Company as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown in the table above, the Offer Price represents a premium of approximately 36.36%, 62.78%, 51.55% and 41.98%, respectively, over the LTD Price, average closing prices of 5 trading days immediately prior to and including the Last Trading Day, 10 trading days immediately prior to and including the Last Trading Day and 30 trading days immediately prior to and including the Last Trading Day, which is the highest among the four comparable voluntary cash offer transactions listed above. On this basis, we are of the opinion that the Offer Price is fair and reasonable so far as the Offer Shareholders are concerned.

RECOMMENDATIONS

Based on our analysis above and, in particular, having considered the following key factors (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) the Offer allows an exit for the Offer Shareholders at a price which is at premium to the closing price of the Shares prior to the suspension of trading of the Shares since 15 September 2022;
- (ii) the Offer represents a premium to each of the closing prices of the Shares as illustrated under the section headed “6(a) Comparison of the Offer Price” above;
- (iii) the Offer represents (i) a premium of approximately 82.93% to the lowest closing price of the Shares; (ii) a premium of approximately 20.53% to the highest closing price of the Shares; and (iii) a premium of approximately 34.74% to the average closing price of the Shares during the Review Period;
- (iv) trading of the Shares has been suspended which effectively means that there would not be any higher closing price of the Shares when compared with the Offer Price until the end of the Offer Period;
- (v) the discount of the Offer Price to Adjusted NAV of the Company is approximately 61.37%, which is significantly lower than the average and median discounts to NAVs of the Comparable Companies of approximately 81.52% and 82.39%, respectively;
- (vi) the implied P/B ratio of the Company are substantially higher than those of the Comparable Companies;
- (vii) the very low liquidity of the Shares would cause difficulty for the Offer Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares in the event that the trading of the Shares resumed as a result of the Company’s satisfaction of all resumption guidance set out by the Stock Exchange and full compliance with the Listing Rules;
- (viii) the premiums implied by the Offer Price to the LTD Price, average closing prices of 5 trading days immediately prior to and including the Last Trading Day, 10 trading days immediately prior to and including the Last Trading Day and 30 trading days immediately prior to and including the Last Trading Day are the highest among the comparable voluntary cash offer transactions; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ix) the uncertainty associated with the prolonged suspension of trading in the Shares and the high likelihood of cancellation of the Company's listing if the resumption requirements of the Stock Exchange could not be met in full to the satisfaction of the Stock Exchange on or before the prescribed time limit, i.e. by 14 March 2024,

we are of the opinion that the terms of the Offer are fair and reasonable so far as the Offer Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Offer Shareholders to accept the Offer. The Offer Shareholders should read carefully the procedures for accepting the Offers as detailed in this Composite Document, the appendices to this Composite Document and the form of acceptance, if they wish to accept the Offer.

The Offer Shareholders are reminded that the trading suspension requirement of Rule 6.01(3) of the Listing Rules will continue to be effective and trading in the Shares remains suspended. We would also like to bring to the attention of the Offer Shareholders that the Stock Exchange may cancel the listing of the Shares if the trading has been suspended for a continuous period of 18 months pursuant to Rule 6.01A(1) of the Listing Rules.

The Offer Shareholders who wish to retain some or all of their investments in the securities of the Company, are reminded to monitor the development of the Group, in particular the Offeror's business strategy, and any announcements of the Company during and after the Offer Period.

As different Offer Shareholders would have different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend the Independent Board Committee to advise any Offer Shareholder who may require advice in relation to any aspect of the Offer, or as to the action to be taken, to consult with a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision to, whether or not, accept the Offer. The Offer Shareholders should note that in making our recommendation, we express no opinion on the business strategy, the future performance of the Group and of its underlying businesses.

Yours faithfully,

For and on behalf of

Grande Capital Limited

Alan Chung Erica Mak

Responsible Officer Responsible Officer

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Mr. Alan Chung is a Responsible Officer of Grande Capital Limited licensed to carry on Type 1(dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. Mr. Chung has over 20 years of experience in legal and corporate finance in Hong Kong.

Ms. Erica Mak is a Responsible Officer of Grande Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 12 years of experience in accounting and corporate finance in Hong Kong.

To accept the Offer, you should duly complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer. These instructions set out in this Composite Document should be read together with the instructions printed on the Form of Acceptance which form part of the terms of the Offer.

1. PROCEDURES FOR ACCEPTANCE

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in your name, and you wish to accept the Offer in respect of your Offer Shares (whether in full or in part), you must deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Offer, by post or by hand, to the Registrar, Hongkong Managers and Secretaries Limited at Units 1607-8, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong, marked “Wah Ha Realty Company Limited – Offer” on the envelope so as to reach the Registrar as soon as possible but in any event by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce with the consent of the Executive.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Offer Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Offer with the nominee company, or other nominee, and with instructions authorizing it to accept the Offer on your behalf and requesting it to deliver in an envelope marked “Wah Ha Realty Company Limited – Offer” the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares to the Registrar; or

- (ii) arrange for the Offer Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “Wah Ha Realty Company Limited – Offer” the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Offer to the Registrar; or
 - (iii) if your Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf in respect of the number of Offer Shares for which you intend to accept the Offer on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Offer Shares have been lodged with your investor participant’s account maintained with CCASS, give your instruction via the CCASS Phone System or the CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged a transfer of any of your Offer Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of those Offer Shares, you should nevertheless duly complete and sign the Form of Acceptance and deliver it in an envelope marked “Wah Ha Realty Company Limited – Offer” to the Registrar together with the transfer receipt(s), if any, duly signed by yourself and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Offer. Such action will constitute an irrevocable authority to the Offeror or the Joint Financial Advisers or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with your duly signed and completed Form of Acceptance.

- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of any of your Offer Shares, the Form of Acceptance should nevertheless be duly signed and completed and delivered in an envelope marked “Wah Ha Realty Company Limited – Offer” to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Offer Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Offer Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Offer Shares, you should also write to the Registrar for a form of letter of indemnity which, when completed and signed in accordance with the instructions given, should be returned to the Registrar.
- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar on or before the latest time for acceptance of the Offer and recorded by the Registrar and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Offer and, if that/those share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other document(s) (e.g. a duly stamped transfer of the relevant Offer Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Offer Shares; or
 - (ii) from a registered Offer Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Offer Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.

- (f) If the Form of Acceptance is executed by a person other than the registered Offer Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (g) Seller's ad valorem stamp duty payable by the Offer Shareholders who accept the Offer and calculated at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar), whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Offer Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Offer Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (h) If the Offer is invalid or withdrawn, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post at the relevant Offer Shareholders' own risk the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Offer Shares tendered for acceptance together with the duly cancelled Form of Acceptance to the relevant Offer Shareholders.
- (i) No acknowledgement of receipt of any Form of Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares tendered for acceptance will be given.

2. SETTLEMENT UNDER THE OFFER

The amount due to an accepting Offer Shareholder (less seller's ad valorem stamp duty in respect of the acceptance of the Offer) will be despatched, by a cheque or a banker's cashier order, to such Offer Shareholder by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all the relevant documents to render the acceptance under the Offer complete and valid. No fractions of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder who accepts the Offer will be rounded up to the nearest cent. Settlement of the consideration to which any Offer Shareholder is entitled under the Offer will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty of the Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Offer Shareholder. Offer Shareholders are recommended to consult their own professional advisers if they are in doubt as to the above procedures.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Pursuant to Rule 15.1 of the Takeovers Code, the Offer will remain open for acceptance for at least 21 days following the date on which this Composite Document is posted. Unless the Offer has previously been revised or extended with the consent of the Executive, to be valid, the Form(s) of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date.
- (b) If the Offer is revised or extended, the announcement of such revision or extension will state the next Closing Date. If, in the course of the Offer, the Offeror revises the terms of the Offer, all the Offer Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised offer document is posted and shall not be closed earlier than the Closing Date.
- (c) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all the Offer Shareholders, those Offer Shareholders who hold the Offer Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees (including those whose interests in the Offer Shares are held through CCASS) to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their respective nominees.

5. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry (where applicable) of the Offer. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised or extended or has expired (where applicable). The announcement will state the following:
- (i) the total number of Offer Shares for which acceptances of the Offer have been received;
 - (ii) the total number of Offer Shares held, controlled or directed by the Offeror and the Offeror Concert Parties before the Offer Period; and
 - (iii) the total number of Offer Shares acquired or agreed to be acquired during the Offer Period by the Offeror and/or the Offeror Concert Parties.

The announcement will include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company which the Offeror and the Offeror Concert Parties have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of the issued share capital of the Company, and the percentages of voting rights of the Company, represented by these numbers of Offer Shares.

- (b) In computing the total number of Offer Shares represented by acceptances, only valid acceptances that are complete, in good order and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the Offer must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Offer Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out hereinbelow.
- (b) Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer set out in paragraph 5 of this Appendix I, the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive until such requirements can be met.

7. WARRANTY

Acceptance of the Offer by an Offer Shareholder will be deemed to constitute a warranty by that Offer Shareholder to the Offeror that the Offer Shares acquired from that Offer Shareholder under the Offer are sold or tendered by that Offer Shareholder free from all encumbrances and together with all rights attached to them on the date of this Composite Document or subsequently becoming attached to it, including the rights to receive all dividends and distributions declared, made or paid, on or after the date of this Composite Document. The Company does not intend to declare, pay, make or agree to declare, pay or make any dividends on or after the date of this Composite Document and up to the close of the Offer. As at the Latest Practicable Date, there was no declared but unpaid dividend which was still outstanding.

8. OVERSEAS OFFER SHAREHOLDERS

- (a) The making of the Offer to the Overseas Offer Shareholders may be prohibited or affected by the laws of the relevant jurisdiction in which they are resident. Overseas Offer Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdiction or keep themselves informed about and observe any applicable legal or regulatory requirements. It is the responsibility of the Overseas Offer Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required to comply with all other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due from them in such jurisdiction).
- (b) Acceptance of the Offer by any Overseas Offer Shareholder will be deemed to constitute a representation and warranty by such person that such person is permitted under applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Any such person is recommended to seek professional advice on deciding whether or not to accept the Offer.

9. TAX IMPLICATIONS

The Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Offer. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, the Joint Financial Advisers, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other persons involved in the Offer is in a position to advise the Offer Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

10. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, certificate(s), share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or any remittances to settle the consideration payable under the Offer will be delivered or sent to the Offer Shareholders or their designated agents, by ordinary post at their own risk, and none of the Offeror, the Offeror Concert Parties, the Company, the Joint Financial Advisers, the Independent Financial Adviser, the Registrar and their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other persons involved in the Offer accepts any liability for any loss or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of the Form of Acceptance by or on behalf of an Offer Shareholder will constitute such Offer Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offer.
- (e) Due execution of the Form of Acceptance in accordance with Note 1 to Rule 30.2 of the Takeovers Code will constitute an authority to the Offeror, the Joint Financial Advisers, or such person or persons as the Offeror or the Joint Financial Advisers may direct, to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Offer Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares in respect of which it has indicated in the Form of Acceptance is the number of Offer Shares held by such nominee for the beneficial owner(s) who accept(s) the Offer in respect of such Offer Shares in aggregate.

- (g) In making their decisions, the Offer Shareholders must rely on their own examination of the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained therein, and the accompanying Form of Acceptance are not to be construed as legal or business advice. The Offer Shareholders should consult their own professional advisers for professional advice.

- (h) References to the Offer in this Composite Document and in the accompanying Form of Acceptance shall include any extension and/or revision thereof.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the audited consolidated financial information of the Group for each of the financial years ended 31 March 2020, 2021 and 2022, as extracted from the annual reports of the Company for each of the financial years ended 31 March 2020, 31 March 2021 and 31 March 2022 respectively and the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2022 as extracted from the interim report of the Company for the six months ended 30 September 2022.

	For the year ended			For the six months	
	31 March			ended	
	2020	2021	2022	2021	2022
	HK\$	HK\$	HK\$	HK\$	HK\$
	(Audited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenues	14,688,677	9,183,665	7,812,695	3,610,955	30,367,740
Changes in fair value of investment properties	(17,100,000)	(100,000)	100,000	3,000,000	(7,100,000)
Net fair value (losses)/gains on financial assets at fair value through profit or loss	(275,968)	663,330	(205,407)	(30,250)	(471,460)
Other (losses)/gains	(5,028,366)	6,622,364	3,491,274	1,462,680	(8,991,163)
Direct outgoings in relation to properties that generate income	(1,354,665)	(1,183,235)	(1,505,363)	(843,888)	(1,389,026)
Cost of sales of completed properties	–	–	–	–	(1,091,095)
Staff costs	(7,993,460)	(7,425,716)	(8,559,287)	(3,935,204)	(3,792,476)
Other operating expenses	(1,617,482)	(1,658,010)	(1,817,959)	(969,422)	(1,175,773)
Operating (loss)/profit	(18,681,264)	6,102,398	(684,047)	2,294,871	6,356,747
Share of results of associated companies	(30,952,166)	(3,870,904)	38,599,505	33,449,206	44,850
(Loss)/profit before income tax	(49,633,430)	2,231,494	37,915,458	35,744,077	6,401,597
Income tax credit/(expenses)	579,660	833,731	1,064,904	575,706	(3,253,717)
(Loss)/profit and total comprehensive (loss)/income attributable to equity holders of the Company	(49,053,770)	3,065,225	38,980,362	36,319,783	3,147,880
(Losses)/earnings per share (Basic and diluted)	(0.41)	0.03	0.32	0.30	0.03
Dividends	36,288,000	41,126,400	41,126,400	13,305,600	13,305,600
Dividends per share	0.30	0.34	0.34	0.11	0.11

The auditor's reports issued by the auditors of the Company, PricewaterhouseCoopers, in respect of the audited consolidated financial statements of the Group for each of the three financial years ended 31 March 2020, 2021 and 2022 did not contain any qualified or modified opinion, emphasis of matter or material uncertainty related to going concern.

There were no (loss)/profit and total comprehensive (loss)/income attributable to non-controlling interests, or other items of any income or expense not disclosed in the summary of financial information shown above which are material in respect of the audited consolidated statement of comprehensive income of the Group for each of the three financial years ended 31 March 2020, 2021 and 2022 respectively and in respect of the unaudited condensed consolidated statement of comprehensive income of the Group for the six months ended 30 September 2022.

2. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out or refer to in this Composite Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement and significant accounting policies as shown in (a) the audited consolidated financial statements of the Group for the year ended 31 March 2022 (the “**2022 Financial Statements**”) and (b) the unaudited condensed consolidated financial information of the Group for the six months ended 30 September 2022 (the “**2023 Interim Financial Statements**”), together with the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2022 Financial Statements and related notes are set out on pages 64 to 118 of the annual report the Company for the financial year ended 31 March 2022 of (the “**2022 Annual Report**”), which was published on 28 June 2022. The 2022 Annual Report is posted on the Company's website <http://www.wahha.com> and the website of the Stock Exchange at <http://www.hkexnews.hk>. Please also see below a direct link to the 2022 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800281.pdf>

The 2023 Interim Financial Statements and related notes are set out on pages 3 to 20 of the interim report of the Company for the six months ended 30 September 2022 (the “**2023 Interim Report**”), which was published on 25 November 2022. The 2023 Interim Report is posted on the Company's website <http://www.wahha.com> and the website of the Stock Exchange at <http://www.hkexnews.hk>. Please also see below a direct link to the 2023 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1223/2022122300263.pdf>

The 2022 Financial Statements, the 2023 Interim Financial Statements and their respective related notes referred to above (but not any other part of the 2022 Annual Report and the 2023 Interim Report in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES

Save as and apart from intra-group liabilities, intra-group guarantees, and normal trade payables, the Group did not, as at the close of business on 31 January 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, have any material outstanding (a) debt securities, whether issued or outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (b) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (c) mortgages or charges; or (d) guarantees or other contingent liabilities.

4. PROPERTY INTERESTS AND ADJUSTED NET ASSET VALUE

The valuation of the property interests of the Group and its associated companies as at 31 January 2023 was conducted by C S Surveyors Limited, the independent property valuer appointed by the Company. The properties are valued on market basis and by direct comparison method (the “**Direct Comparison Method**”) based on prices realised on actual sales of comparable properties made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value. The total market value of the property interests in existing state attributable to the Shareholders as at 31 January 2023 was approximately HK\$1,717.6 million, as set out below:

	Market value of the property interest in existing state attributable to the Shareholders HK\$' million	Proportion of total %
Investment properties:		
– Held by the Group (<i>Note 1</i>)	213.1	12.4
– Held by associated companies (<i>Note 2</i>)	639.9	37.3
Completed properties held for sale:		
– Held by the Group (<i>Note 3</i>)	48.4	2.8
– Held by associated companies (<i>Note 4</i>)	816.2	47.5
Total property interests	1,717.6	100.0

Notes:

1. The aggregate market value of investment properties held by the Group, which generate recurring revenue for the Group, was approximately HK\$213.1 million, representing approximately 12.4% of the total appraised value of the property interests attributable to the Shareholders as at 31 January 2023 (the “**Appraised Value**”). Such properties mainly comprise residential and commercial properties.
2. This represents the property interests of investment properties held by the Company’s associated companies, the market value of which attributable to the Shareholders was approximately HK\$639.9 million, representing approximately 37.3% of the Appraised Value. The investment properties held by the Company’s associated companies mainly comprise residential and commercial properties.
3. The aggregate market value of completed properties held for sale by the Group was approximately HK\$48.4 million, representing approximately 2.8% of the Appraised Value. Such properties mainly comprise commercial and industrial properties.
4. This represents the property interests of completed properties held for sale by the Company’s associated companies, the market value which attributable to the Shareholders was approximately HK\$816.2 million, representing approximately 47.5% of the Appraised Value. Such properties mainly comprise commercial and industrial/godown properties.

Further details of the aforementioned property interests and their corresponding valuation report prepared by C S Surveyors are set out in “Appendix III – Property Valuation of the Group” to this Composite Document.

Based on the unaudited condensed consolidated balance sheet of the Company as at 30 September 2022, the unaudited consolidated net asset value of the Group as at 30 September 2022 was approximately HK\$1,232.8 million (or approximately HK\$10.191 per Share).

Given that some of the property interests of the Group and its associated companies were stated at cost basis in accordance with Hong Kong Financial Reporting Standards, the Board considers that the appraised value of all the property interests held by the Group and its associated companies is more appropriate to assess the net asset backing of the Group. For this purpose, the Adjusted NAV is prepared, based on the unaudited condensed consolidated balance sheet of the Company as at 30 September 2022 and the adjustments as set out in the table below, which include the fair value gain arising from property valuation, net of estimated deferred tax:

	<i>HK\$' million</i>
NAV of the Group as at 30 September 2022 (unaudited)	1,232.8
NAV of each Share as at 30 September 2022 (unaudited)	10.191
<i>Adjustments</i>	
– Fair value gain arising from the valuation of property interests attributable to the Shareholders as at 31 January 2023 (<i>Note 1</i>)	789.4
– Deferred tax on attributable fair value gain (<i>Note 2</i>)	(130.3)
– Interim dividend for the year ending 31 March 2023 of HK11 cents per Share paid on 19 January 2023	<u>(13.3)</u>
Adjusted NAV of the Group	<u><u>1,878.6</u></u>
Adjusted NAV of the Group per Share (<i>Note 3</i>)	<u><u>HK\$15.531</u></u>

Notes:

1. Representing the fair value gain arising from the excess of the market value of the property interests held by the Group and its associated companies in existing state attributable to the Shareholders of approximately HK\$1,717.6 million as at 31 January 2023, as appraised by the Valuer, over their corresponding book values attributable to the Shareholders of approximately HK\$928.2 million as at 31 January 2023, after adjusting for relevant interests not attributable to the Group.
2. Representing deferred tax on temporary differences between the market values of the property interests and the corresponding tax base used in computation of taxable profit, except that no deferred tax is provided for investment properties as the market value of such properties are presumed to be recovered through sale. Deferred tax is calculated at the tax rate of 16.5% for Hong Kong profits tax.
3. Based on 120,960,000 Shares in issue as at the Latest Practicable Date.

5. MATERIAL CHANGE

Save as disclosed below and the Offer set out in this Composite Document, the Directors confirmed that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2022, being the date to which the latest published audited financial statements of the Group were made up, and up to the Latest Practicable Date:

- (i) the Group's turnover substantially increased when compared to that for the financial year ended 31 March 2022, which was mainly attributable to (a) the sales of completed properties held for sale and (b) increase in interest and dividend incomes;
- (ii) the Group recorded net loss in relation to exchange difference arising from the depreciation of Renminbi against Hong Kong dollars since the date on which the latest published audited financial statements of the Group were made up until the Latest Practicable Date, when compared to a net gain recorded for the financial year ended 31 March 2022;
- (iii) the share of profits from associated companies substantially decreased, which was mainly attributable to disposal of properties by associated companies in an amount significantly lower than that recorded in the financial year ended 31 March 2022 and loss recorded in fair value in respect of investment properties held by associated companies compared to gains recorded in the financial year ended 31 March 2022;
- (iv) the total fair value of investment properties substantially decreased, which was mainly attributable to the loss recorded in fair value in respect of investment properties held by the Group as compared to gains recorded in the financial year ended 31 March 2022; and
- (v) the amount due from associated companies to the Group substantially decreased, which was mainly attributable to repayments by associated companies through sale proceeds of their respective properties.

The following is the text of a report, with valuation certificates, prepared for the purpose of incorporation in this Composite Document, received from C S Surveyors Limited, an independent valuer, in connection with its valuation of the property interests held by the Group and its associated companies as at 31 January 2023.



26 April 2023

The Directors

Wah Ha Realty Company Limited

Room 2500, Dominion Centre
43-59 Queen's Road East,
Wanchai,
Hong Kong

Dear Sirs,

RE: VALUATION OF VARIOUS PROPERTY INTERESTS IN HONG KONG

1.1 INSTRUCTION

We refer to the instructions from Wah Ha Realty Company Limited (“the Company”, together with its subsidiaries, collectively “the Group”) for us to provide market valuation in respect of various property interests held by the Group and its associated companies in Hong Kong as at 31 January 2023. The property interests (collectively, “the Properties”) are identified in Section 2 of this report, Summary of Valuation.

We are instructed to give our opinion of the Market Value of the property interests (100% interest) in their existing states subject to tenancies/licenses, as well as the percentage interest attributable to the Group, as at 31 January 2023 (“the Date of Valuation”) for the purpose of incorporating in the Composite Document issued by the Company.

We confirm that we have carried out external inspection of the Properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of the individual unencumbered leasehold property interest as at the Date of Valuation.

1.2 BASIS OF VALUATION

Unless otherwise stated, our valuation has been prepared in accordance with the “HKIS Valuation Standards 2020 Edition” published by The Hong Kong Institute of Surveyors (“HKIS”), the “International Valuation Standards” published by the International Valuation Standards Council (“IVSC”) subject to variation to meet local established laws. 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 and Rule 11 of the Code on Takeovers and Mergers.

Our valuation of the property interests is made on the basis of the Market Value as defined by IVSC and adopted by HKIS, set out 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.”

The valuation of Market Value presented in this report shows the 100% interest of the Properties as well as the percentage interest attributable to the Group.

We have applied the definition of Market Value to each property interest independently. We have therefore ignored the potential effect of selling the entire portfolio at one time. Likewise, we have valued each property as a single property interest and we have ignored the potential effect of selling the properties on a strata title basis.

We have not carried out a valuation on redevelopment basis. The study of possible alternative development options and the related economics do not come within the scope of this report.

1.3 VALUATION METHODOLOGY

We have valued the Properties on market basis and the direct comparison method is adopted where comparison based on prices realised on actual sales of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of Market Value.

1.4 VALUATION ASSUMPTION

Our valuation has been made on the assumption that the owner sells the Properties in the market in its existing state without the benefit of cash rebate, special incentive, deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would affect the value of the Properties.

Unless stated as otherwise, we have assumed that the Properties have been constructed, occupied and used in full compliance with, and without contravention of all laws and regulations. We have further assumed that, for any use of the Properties upon which this report is based, all required licenses, permit, certificate, and authorizations have been obtained.

We have assumed that the owners of the Properties have free and uninterrupted rights to use and dispose of the Properties for the whole of the unexpired term of its Government Lease.

Other special assumptions of the Properties, if any, have been stated in the footnote of the valuation certificates of the Properties.

1.5 POTENTIAL TAX LIABILITY

The potential tax liabilities which may arise on direct disposal of the property interests held by the Group at the amounts valued by us would generally comprise the following:

- Hong Kong Profits Tax at 16.5% on the gain on disposal (excluding any profits which are considered to be capital in nature and shall not be subject to profits tax); and
- Hong Kong Stamp Duty at progressive rates from HK\$100 to 4.25% on the transaction amount (of which both the seller and the buyer are jointly and severally liable on the stamp duty).

In respect of Properties nos. 9 to 14, which are held for sale, it is likely that the relevant tax liabilities will be crystallized upon sale. In respect of the other Properties held by the Group and its associated companies, the likelihood of the relevant tax liabilities being crystallized is remote as there is no plan for disposal of such Properties according to the Company.

1.6 SOURCE OF INFORMATION

We have relied to a considerable extent on the information provided by the Company including a tenancy summary as at 31 January 2023 and have obtained relevant information from the Land Registry, the Buildings Department and the Rating and Valuation Department as necessary. We have also relied on advices from the Company including planning approvals, statutory notices, easements, tenure, particulars of occupancy, building plans, floor plans, floor areas and all other relevant matters and assumed that all information provided to us is correct. The dimensions, measurements and areas included in the report are based on information contained in copies of documents obtained from the Company, the Land Registry, Rating and Valuation Department and the Buildings Department and are therefore approximations. We have not carried out on-site measurements to verify the correctness of the site area of the Properties.

1.7 MEASUREMENTS

The gross floor area and saleable area (net area) of the Properties are obtained from the Annual Report of 2022 of the Company. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Properties and we have assumed that area provided to us are correct. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the registered floor plan(s), if available.

1.8 TITLE INVESTIGATION

We have not been provided with copies of the title documents relating to the Properties. Yet, we have carried out title searches at the Land Registry for the Properties.

We have not verified ownership of the Properties with lawyers, as we have no reasons to doubt the truth and accuracy of the information provided by the Company or obtained from the Land Registry. It is only when we have doubts about the title that we would seek legal opinions.

1.9 PROPERTY INSPECTION

We conducted external inspections of the Properties on 30, 31 of January 2023 and 1, 2, 7 of February 2023. We also inspected their exteriors and the surrounding locality of all the Properties and most of the sales comparables. The inspection was conducted by Mr. Denys Kwan, Director of C S Surveyors Limited and Mr. Alan Au-Yeung, Manager of C S Surveyors Limited. We have assumed that the internal condition of the portions within the Properties has been well maintained and has no critical repairs or deferred maintenance, where applicable. For the purpose of our valuation, we have relied on the layout as shown on the approved building plans, approved “addition and alteration” plans, assignment plan, etc. where available in arriving at our opinion of value.

No structural survey has been made and we are therefore unable to report whether the Properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

1.10 LIMITING CONDITIONS

We have relied to a considerable extent, on the information provided by the Company and have been accepted advice given to us by the Company on such matters as statutory notices, easements, tenure, occupation, tenancy details, floor area and in the identification of the Properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which are material to the valuation. We have been also advised by the Group that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amount owing on any property interests nor for any expense or taxation which may be incurred in effecting a sale. We have assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

1.11 VALUER

This valuation report is prepared by Mr. Denys Kwan *MBA(Const & RE.), Dip. Proj.Man.(RICS), FRICS, MHKIS, FILA, MKIREA, RPS(GP), Hon. Fellow (UCEM)*, Director of C S Surveyors Limited, assisted by Ms. Rain Fong *BSc, MSc, MHKIS*, General Manager of C S Surveyors Limited and Mr. Alan Au-Yeung *BSc (RE), MHKIS, MRICS, RPS(GP)*, Manager of C S Surveyors Limited.

We confirm that Mr. Denys Kwan, Ms. Rain Fong and Mr. Alan Au-Yeung are in the position to provide an objective and unbiased valuation and are competent to undertake the valuation assignment.

1.12 OPINION OF VALUE

We opine the total Market Value of the Properties as at 31, January 2023 is **HK\$6,970,650,000 (HONG KONG DOLLARS SIX BILLION NINE HUNDRED AND SEVENTY MILLION SIX HUNDRED AND FIFTY THOUSAND ONLY)**

A Summary of Valuation is in Section 2 and 14 respective Valuation Certificates are in Section 3 of this report.

Yours faithfully,
For and on behalf of
C S Surveyors Ltd.

(signed)

Denys Kwan *MBA (Const & RE.) Dip.Proj.Man (RICS)*
FRICS MHKIS FILA MHIREA RPS(GP) Hon.Fellow (UCEM)
Director

2.0 SUMMARY OF VALUATION

The Properties	Market Value in its existing state as at 31 January 2023 (100% interest)	Interest attributable to the Group	Market Value in existing state attributable to the Group as at 31 January 2023
1. Units B & C on 2nd Floor, Nos.446-450 Hennessy Road, Hong Kong	HK\$7,100,000	100%	HK\$7,100,000
2. Apartment No. B on 1st & 2nd Floors of Block B and Car Parking Space Nos.53 & 55 at Ground Floor Level, Repulse Bay Towers, No.119A Repulse Bay Road, Hong Kong	HK\$73,000,000	100%	HK\$73,000,000
3. House 11, "50 Stanley Village Road", No.50 Stanley Village Road, Hong Kong	HK\$133,000,000	100%	HK\$133,000,000
4. Flat 11 on Ground Floor, Montane Mansion, No.1028 King's Road & Nos.19- 43 Quarry Bay Street, Hong Kong	HK\$3,850,000	50%	HK\$1,925,000
5. Shop Nos. 1-8, 10-27, 29-44, 46-51, 59-62 on Ground Floor, all that Flat Roof A & C and Shop Nos. 5-14, 18-19, 22, 30-34, 36- 37, 39-47 and 51 on 2nd Floor and Two Air-condition Rooms on 3/F, Midland Centre, No.328 Queen's Road Central, Hong Kong	HK\$230,000,000	50%	HK\$115,000,000
6. Flat 2 on Ground Floor & Basement and Carparking Space Nos.1 & 2 on Basement, Stewart Terrace, Nos.81-95 Peak Road, Hong Kong	HK\$66,000,000	50%	HK\$33,000,000
7. Houses 1, 2, 3, 4 & 5 and Car Parking Space Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12, Belvedere, No.41 Chung Hom Kok Road, Hong Kong	HK\$460,000,000	25%	HK\$115,000,000
8. Horizon Plaza, No.2 Lee Wing Street, Hong Kong	HK\$3,000,000,000	12.5%	HK\$375,000,000

The Properties	Market Value in its existing state as at 31 January 2023 (100% interest)	Interest attributable to the Group	Market Value in existing state attributable to the Group as at 31 January 2023
9. Ground Floor and First Floor, Flats 1-3, 5 & 6 on 10/F, Flat 5 on 12/F, Whole Floor of 11, 15, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 31, 32 & 33/F, Lorry Parking Spaces L1-L10 on 2/F & L1-L13 on 3/F, Car Parking Spaces P1-P6 on 3/F, P1-P33 on 4/F, P1-P33 on 5/F, P1-P33 on 6/F & P1-P33 on 7/F and Container Parking Space on G/F, Eight Commercial Tower, No.8 Sun Yip Street, Hong Kong	HK\$1,558,500,000	25%	HK\$389,625,000
10. Flat A on Ground Floor and Roof, May Wah Court, Nos.111-113 Chatham Road South, Kowloon	HK\$45,500,000	100%	HK\$45,500,000
11. Workshop Nos. A1, A2, A3 and A4 on 2/F & Flat Roof; Nos. A3, A5, A7 and A8 on 3/F; Nos. A5, A6, A7 and A8 on 7/F of Block A; Workshop Nos. B5 on 3/F; Nos. B2, B5 and B8 on 5/F; Nos. B1 and B7 on 7/F; Nos. B1 and B3 on 9/F, Nos. B4, B6 and B7 on 10/F; No. B6 on 14/F of Block B; Workshop No.4 & Yard, No. 5 and No. 7 & Yard on G/F; Lorry Car Parking Space No. L15; Private Car Parking Space Nos. C2, C5, C9, C10, C14 and C19 on 1/F Texaco Road Industrial Centre, Nos. 256-264 Texaco Road and Nos.14-22 Wang Lung Street, Tsuen Wan, New Territories	HK\$318,200,000	50%	HK\$159,100,000
12. Car Parking Space Nos. C6, C8, C9 and L6 on 1/F, Wing Kin Industrial Building, Nos. 4-6 Wing King Road, Kwai Chung, New Territories	HK\$5,800,000	50%	HK\$2,900,000

The Properties	Market Value in its existing state as at 31 January 2023 (100% interest)	Interest attributable to the Group	Market Value in existing state attributable to the Group as at 31 January 2023
<p>13. Workshop Nos. A1, A2, B1 and B2 on G/F; Workshop No. B1 on 1/F; Car Parking Space Nos. 5, 6, 12, 29, 30, 31, 35 and 36 on 1/F Tsing Yi Industrial Centre Phase I, Nos.1-33 Cheung Tat Road, Tsing Yi, New Territories</p> <p>Car Parking Space Nos. 16, 57, 58, 59, 60, 61, 62, 69, 72, 73, 74, 75, 84, 86, 87, 89, 90, 91, 92, 93, 94, 102, 103, 104, 105, 106, 107, 117, 118, 119, 128, 129, 130, 162, 163, 164, 165 and 166 on 1/F Tsing Yi Industrial Centre Phase II, Nos. 1-33 Cheung Tat Road, Tsing Yi, New Territories</p>	HK\$381,500,000	25%	HK\$95,375,000
<p>14. Units 1-13 on G/F; Units 1-7 on 1/F; Units 1-2, 4-8 & 47 with Storeroom on 3/F; Units 1-50 with Storerooms on 4/F; Units 1-50 with Roofs and Storerooms on 5/F;</p> <p>Container Parking Space C1, Lorry Parking Space L1, Car Parking Spaces C2 & C3 on G/F; and Lorry Parking Spaces L4-L10, Car Parking Spaces C4, C5 & C8-C11 on 1/F;</p> <p>World Trade Square, No.21 On Lok Mun Street, Fanling, New Territories</p>	HK\$688,200,000	25%	HK\$172,050,000
Total	HK\$6,970,650,000		HK\$1,717,575,000

3.0 VALUATION CERTIFICATES

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Units B & C on 2nd Floor, Nos. 446-450 Hennessy Road, Hong Kong	Hin Wah Building comprises 14 residential storeys, built above 1/F & 2/F offices, M/F stores, G/F shops and Basement transformer room. The building was completed on 13 August 1965.	Rented out under 2 commercial tenancies for a total monthly rent of HK\$19,500 (inclusive of Government Rates and management fee).	HK\$7,100,000 (Hong Kong Dollars Seven Million and One Hundred Thousand Only)
4/132 share of and in the Remaining Portion of Sub-section 1 of Section A of Marine Lot No.269; The Remaining Portion of Section A of Marine Lot No.269 and The Remaining Portion of Section E of Marine Lot No.201	The total gross floor area is 960 sq. ft. According to the Occupation Permit No.H208/65, the use of the properties are offices for non-domestic use. The property is held under Government Lease for 999 years commencing from June 25, 1861 for Marine Lot No.269; and for 999 years commencing from June 25, 1862 for Marine Lot No.201. Government Rent: HK\$46 (Per Annum).		(100% interest attributable to the Group: HK\$7,100,000)

Notes:

- The registered owner of the Property is WH Properties Limited, which is a direct wholly owned subsidiary of the Company.
- The Property falls within an area zoned as "Commercial" under Draft Wan Chai Outline Zoning Plan No. S/H5/30 gazetted on 17 June 2022.
- External inspection was carried out by Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS(GP)* on 30 January 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Apartment No. B on 1st & 2nd Floors of Block B and Car Parking Space Nos.53 & 55 at Ground Floor Level, Repulse Bay Towers, No.119A Repulse Bay Road, Hong Kong	Repulse Bay Towers comprises 14 residential storeys duplexes built on a carport and entrance. The building was completed on 29 November 1963. The total gross floor area is 3,100 sq. ft.	Apartment No. B and Car Parking Space No.53 are rented out under one residential tenancy for a monthly rent of HK\$75,000 (inclusive of Government Rates and management fee).	HK\$73,000,000 (Hong Kong Dollars Seventy-Three Million Only)
1/56 share of and in the Section B of Rural Building Lot No.168; The Remaining Portion of Section A of Rural Building Lot No.168 and Section B of Sub-section 3 of Section A of Rural Building Lot No.168	According to the Occupation Permit No.H51/64, the uses of the properties are maisonette for domestic use and car parking spaces for non-domestic use. The property is held under Government Lease for 75 years, renewable for 75 years commencing from 8 March 1921 for Rural Building Lot No.168. Government Rent: HK\$314 (Per Annum).	Car Parking Space No.55 is vacant.	(100% interest attributable to the Group: HK\$73,000,000)

Notes:

- The registered owner of the Property is the Company.
- The Property falls within an area zoned as “Residential (Group B)” Approved Shouson Hill & Repulse Bay Outline Zoning Plan No. S/H17/13 gazetted on 15 November 2013.
- External inspection was carried out by Mr. Denys Kwan *MBA (Const & RE.) Dip.Proj.Man (RICS) FRICS MHKIS FILA MHIREA RPS(GP) Hon.Fellow (UCEM)* and Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS(GP)* on 2 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
House 11 "50 Stanley Village Road", No.50 Stanley Village Road, Hong Kong	"50 Stanley Village Road" comprises twelve 3-storeys single-family houses, built over a single-storey carport. The building was completed on 8 March 2012.	Rented out under a residential tenancy for a monthly rent of HK\$140,000 (inclusive of Government Rates and management fee).	HK\$133,000,000 (Hong Kong Dollars One Hundred and Thirty-Three Million Only)
5315/70433 share of and in the Remaining Portion of Rural Building Lot No. 243	The total saleable area is 2,725 sq. ft. According to the Occupation Permit No.HK16/2012, the uses of the property are single-family house for domestic use and carport & ancillary accommodation for non-domestic use. The property is held under Conditions of Grant No. UB1453 for 75 years renewable for 75 years commencing from 12 January 1924. Government Rent: HK\$59,490 (Per Annum).		(100% interest attributable to the Group: HK\$133,000,000)

Notes:

- The registered owner of the Property is Khanman Property Limited, which is a direct wholly owned subsidiary of the Company.
- The Property falls within an area zoned as "Residential (Group C)" under Approved Stanley Outline Zoning Plan No. S/H19/16 gazetted on 28 October 2022.
- External inspection was carried out by Mr. Denys Kwan *MBA (Const & RE.) Dip.Proj.Man (RICS) FRICS MHKIS FILA MHIREA RPS(GP) Hon.Fellow (UCEM)* and Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS(GP)* on 2 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Flat 11 on Ground Floor, Montane Mansion, No.1028 King's Road & Nos.19-43 Quarry Bay Street, Hong Kong	Montane Mansion comprises 18 residential storeys, built above shops and domestic flats on G/F and shops on LG/F. The building was completed on 31 July 1972.	Rented out under a commercial tenancy for a monthly rent of HK\$9,000 (inclusive of Government Rates and management fee).	HK\$3,850,000 (Hong Kong Dollars Three Million Eight Hundred and Fifty Thousand Only)
10/1700 share of and in the Section C of Inland Lot No.8104	The saleable floor area is 430 sq. ft. According to the Occupation Permit No.H130/72, the use of the property is shop for non-domestic use. The property is held under Conditions of Exchange No.9246 for 75 years renewable for 75 years commencing from 16 May 1967. Government Rent: HK\$480 (Per Annum).		(50% interest attributable to the Group: HK\$1,925,000)

Notes:

1. The registered owner of the Property is Wah Ha Property Development Limited, which is an associated company held as to 50% directly by the Company.
2. According to the information from the Land Registry, the Property is subject to the following encumbrances:
 - i. Order No. "CUC/A-A14/0174/19" under S.24(1) of the Buildings Ordinance with plans registered vide memorial no. 22102701370193 dated 9 September 2022
Remarks: by the Building Authority for common part(s) only
 - ii. Order No. "CUC/A-A14/0014/19" by the Building Authority under S.24(1) of the Buildings Ordinance registered vide memorial no.22120100770011 dated 27 July 2022.
3. In our valuation, we assumed that the above 2 Orders had been complied with. We did not take into account the existence of the 2 Orders in arriving at our Market Value.
4. The Property falls within an area zoned as "Residential (Group A)" Approved Quarry Bay Outline Zoning Plan No. S/H21/28 gazetted on 17 September 2010.
5. External inspection was carried out by Mr. Denys Kwan *MBA (Const & RE.) Dip.Proj.Man (RICS) FRICS MHKIS FILA MHIREA RPS(GP) Hon.Fellow (UCEM)* on 30 January 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Shop Nos. 1-8, 10-27, 29-44, 46-51, 59-62 on Ground Floor, all that Flat Roof A & C and Shop Nos. 5-14, 18-19, 22, 30-34, 36-37, 39-47 and 51 on 2nd Floor and Two Air-condition Rooms on 3/F, Midland Centre, No.328 Queen's Road Central, Hong Kong	Midland Centre consists of 2 residential blocks and a shopping centre. The building was completed on 29 April 1980. The total gross floor area is 22,666 sq. ft. According to the Occupation Permit No.H65/80, the use of the properties are shop spaces for non-domestic use.	Shop No.31 on Ground floor and Shop Nos. 09, 14, 18, 19, 40 on 2nd Floor are vacant. Also Flat Roof A and Flat Roof C are vacant. The remaining shops are rented out under commercial tenancies for a total monthly rent of HK\$563,430 (inclusive of Government Rates and management fee).	HK\$230,000,000 (Hong Kong Dollars Two Hundred and Thirty Million Only) (50% interest attributable to the Group: HK\$115,000,000)
1164/6500 share of and in Inland Lot No. 8426	The property is held under Conditions of Sale No. UB11049 for 75 years renewable for 75 years commencing from 29 April 1977. Government Rent: HK\$1,000 (Per Annum).		

Notes:

1. The registered owner of the Property is Super One Company Limited, which holds in trust the whole of the Property in favour of the beneficial owner, Hinquand Enterprise Limited. Hinquand Enterprise Limited is an associated company held as to 50% directly by the Company.
2. According to the information from the Land Registry, the Property is subject to the following encumbrances:
 - i. Agreement for Sale and Purchase registered in favour of Hinquand Enterprise Limited for a consideration of HK\$26,000,000.00 (PT.) vide memorial no. UB4648492 dated 1 December 1990
 - ii. Supplemental Deed Supplemental to Agreement M/N 4648492 registered in favour of Hinquand Enterprise Limited vide memorial no. UB4672035 dated 2 January 1991
 - iii. Notice No. "UMB/MB021204-009/0001" by the Building Authority under S.30B(3) of the Buildings Ordinance dated 21 October 2014 vide Memorial No.18042401420086
Remarks: For Common Part(s) only
 - iv. Notice No. "UMW/MB021204-009/0369" by the Building Authority under S.30C(3) of the Buildings Ordinance dated 21 October 2014 vide Memorial No.21030801710161
Remarks: Re: Common Part(s) only
 - v. Order No. "D00139/HK/21/TA" by the Building Authority under S.26 of the Buildings Ordinance dated 18 June 2021 vide Memorial No.21072700760013
Remarks: Re for Common Part(s) only.
3. In our valuation, we assumed the above 2 Notices and 1 Order had been complied with. We did not take into account the existence of the 2 Notices and 1 Order in arriving at our Market Value.
4. The Property falls within an area zoned as "Residential (Group A)" under Approved Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/34 gazetted on 13 November 2020.
5. External inspection was carried out by Mr. Alan Au-Yeung *BSc(RE), MRICS, MHKIS, RPS(GP)* on 30 January 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Flat 2 on Ground Floor & Basement and Carparking Space Nos.1 & 2 on Basement, Stewart Terrace, Nos.81-95 Peak Road, Hong Kong	Stewart Terrace consists of 8 low-rise residential apartments. The building was completed on 28 March 1949. The total gross floor area is 3,090 sq. ft.	Rented out under a residential tenancy for a monthly rent of HK\$80,000 (inclusive of Government Rates and management fee).	HK\$66,000,000 (Hong Kong Dollars Sixty-Six Million Only) (50% interest attributable to the Group: HK\$33,000,000)
60/1180 share of and in the Rural Building Lot Nos. 299, 300, 301, 302, 303, 304, 305 & 306	The uses of the property are residential unit for domestic use and carparking spaces for non-domestic use. The property is held under Government Lease for 75 years commencing from 17 March 1954. Government Rent: HK\$9,660 (Per Annum).		

Notes:

1. The registered owner of the Property is Wah Ha Property Development Limited, which is an associated company held as to 50% directly by the Company.
2. According to the information from the Land Registry, the Property is subject to the following encumbrances:
 - i. Memorandum (re: jointly apply for an Order for Compulsory Sale) registered vide memorial no.17060101740017 dated 31 May 2017
 - ii. Sealed Copy of Notice of Application to Lands Tribunal for an Order for Sale registered vide memorial no.18100301160018 dated 26 September 2018
Remarks: under Land (Compulsory Sale for Redevelopment) Ordinance of Application No. LDCS 25000/2018).
3. According to the judgment of LDCS no. 25000/2018 dated 30 April 2021, the above application for an Order for sale under Land (Compulsory Sale for Redevelopment) Ordinance was dismissed.
4. The Property falls within an area zoned as "Residential (Group C)" Approved The Peak Area Outline Zoning Plan No. S/H14/13 gazetted on 6 April 2018.
5. External inspection was carried out by Mr. Denys Kwan *MBA (Const & RE.) Dip.Proj.Man (RICS) FRICS MHKIS FILA MHIREA RPS(GP) Hon.Fellow (UCEM)* and Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS(GP)* on 2 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Houses 1, 2, 3, 4 & 5 and Car Parking Space Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12, Belvedere, No.41 Chung Hom Kok Road, Hong Kong	Belvedere comprises five 3-storey houses, built above carports. The building was completed on 28 August 1980. The total gross floor area is 16,894 sq. ft.	Rented out under 5 residential tenancies for a total monthly rent of HK\$449,500 (inclusive of Government Rates and management fee).	HK\$460,000,000 (Hong Kong Dollars Four Hundred and Sixty Million Only)
Whole share of and in Rural Building Lot No.968	According to the Occupation Permit No.H121/80, the uses of the property are houses for domestic use. The property is held under Conditions of Sale No.10777 for 75 years renewable for 75 years commencing from 18 April 1975. Government Rent: HK\$1,000 (Per Annum).		(25% interest attributable to the Group: HK\$115,000,000)

Notes:

- The registered owner of the Property is Remadour Estate Limited, which is an associated company held as to 25% directly by the Company.
- The Property falls within an area zoned as "Residential (Group C)" under Approved Stanley Outline Zoning Plan No. S/H19/16 gazetted on 28 October 2022.
- External inspection was carried out by Mr. Denys Kwan *MBA (Const & RE.) Dip.Proj.Man (RICS) FRICS MHKIS FILA MHIREA RPS(GP) Hon.Fellow (UCEM)* and Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS(GP)* on 2 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Horizon Plaza, No.2 Lee Wing Street, Hong Kong	Horizon Plaza is a 25-storey former industrial/godown development which has been converted to commercial use. The building was completed on 30 June 1994.	Units 3-4 on 4/F, units 1 & 6 on 9/F, units 3-4 on 15/F, units 1-2 & 20 on 18/F, units 3-5 & 8-12 on 19/F, units 1, 9-16 & 19-20 on 21/F, units 1-10 & 17-20 on 22/F and units 18-20 on 27/F are vacant.	HK\$3,000,000,000 (Hong Kong Dollars Three Billion Only)
Whole share of and in the Ap Lei Chau Inland Lot No.122	The total gross floor area is 496,834 sq. ft. According to the Occupation Permit No.H61/94, the uses of the property are workshops, vehicle parking spaces, loading area and ancillary accommodation for non-domestic use. The property is held under Conditions of Sale No. UB12138 from 12 March 1991 until 30 June 2047. Government Rent is 3% of the Rateable Value of the lot.	Car Parking Space HG7 on 2/F and Car Parking Spaces HG1 & HG4 on 3/F are vacant. The remaining units are rented out under various commercial tenancies for a total monthly rent of HK\$7,171,353 (exclusive of Government Rates and management fee). The remaining car parking spaces are rented out under car parking licences for a total monthly rent of HK\$84,000 (inclusive of Government Rates and management fee). Hourly car parking spaces are rented out for an average monthly rent of HK\$106,720.	(12.5% interest attributable to the Group: HK\$375,000,000)

Notes:

- The registered owners of the Property are Daily Eagle Development Limited (50%) and Double Joy Investment Company Limited (50%) as tenants in common. Daily Eagle Development Limited is an associated company held as to 25% directly by the Company.
- The Property falls within an area zoned as "Other Specified Uses (BUSINESS(4))" under Approved Aberdeen & Ap Lei Chau Outline Zoning Plan No. S/H15/33 gazetted on 31 August 2018.
- External inspection was carried out by Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS(GP)* on 7 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Ground Floor and First Floor, Flats 1-3, 5 & 6 on 10/F, Flat 5 on 12/F, Whole Floor of 11, 15, 19, 20, 21, 22, 23, 25, 26, 27, 28, 29, 31, 32 & 33/F, Lorry Parking Spaces L1-L10 on 2/F & L1-L13 on 3/F, Car Parking Spaces P1-P6 on 3/F, P1-P33 on 4/F, P1-P33 on 5/F, P1-P33 on 6/F and P1-P33 on 7/F and Container Parking Space on G/F, Eight Commercial Tower, No.8 Sun Yip Street, Hong Kong	Eight Commercial Towers comprises 32 commercial/industrial storeys. The building was completed on 11 January 1994. The total gross floor area is 275,443 sq. ft. According to the Occupation Permit No.H6/94, the uses of the property are shops, workshops/offices, container parking space, carparking/lorry-parking spaces with loading/unloading area and ancillary accommodation for non-domestic use. The property is held under Conditions of Sale No.12119 from 11 December 1990 until 30 June 2047. Government Rent is 3% of the Rateable Value of the lot.	Shops 1-3, 7 & 26-32 on ground floor, shop 14 on first floor, units 5-6 on 10/F, units 9-12 on 11/F, unit 5 on 12/F, units 5-6 on 15/F, units 1-5 on 19/F, whole floor of 25/F, 26/F & 29/F, units 1, 3, 8-9 & 11 on 31/F and whole floor of 32/F and 33/F are vacant. The remaining shops, units and car parking spaces are rented out under various commercial, industrial/office and car parking tenancies/license for a total monthly rent of HK\$2,180,665 (exclusive of Government Rates and management fee).	HK\$1,558,500,000 (Hong Kong Dollars One Billion Five Hundred and Fifty-Eight Million and Five Hundred Thousand Only) (25% interest attributable to the Group: HK\$389,625,000)
3838/5400 share of and in the Chai Wan Inland Lot No.144			

Notes:

- The registered owner of the Property is Keneva Company Limited, which is an associated company held as to 25% directly by the Company.
- The Property falls within an area zoned as "Other Specified Uses (BUSINESS)" Approved Chai Wan Outline Zoning Plan No. S/H20/25 gazetted on 14 May 2021.
- External inspection was carried out by Mr. Denys Kwan *MBA (Const & RE.) Dip.Proj.Man (RICS) FRICS MHKIS FILA MHIREA RPS(GP) Hon.Fellow (UCEM)* and Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS(GP)* on 2 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Flat A on Ground Floor and Roof, May Wah Court, Nos.111-113 Chatham Road South, Kowloon	May Wah Court comprises 19 residential/commercial storeys. The building was completed on 3 January 1974.	The roof is vacant. Flat A on ground floor is rented out under a commercial tenancy for a monthly rent of	HK\$45,500,000 (Hong Kong Dollars Forty-Five Million and Five Hundred Thousand Only)
15/100 share of and in the Remaining Portion of Kowloon Inland Lot Nos.9935 & 9936	The total gross floor area is 2,860 sq. ft. According to the Occupation Permit No. K1/74, the uses of the property are shop and roof for non-domestic use. The property is held under Conditions of Regrant No.10091 for 150 years commencing from 1 October 1901. Government Rent: HK\$532 (Per Annum).	HK\$145,000 (exclusive of Government Rates and management fee).	(100% interest attributable to the Group: HK\$45,500,000)

Notes:

1. The registered owner of the Property is the Company.
2. According to the information from the Land Registry, the Property is subject to the following encumbrances:
 - i. Notice No. "UMB/MB111204-031/0001" by the Building Authority under S. 30B(3) of the Buildings Ordinance registered vide memorial no.21081202860054 dated 24 June 2014
Remarks: re: common part(s)
 - ii. Notice No. "UMW/MB111204-031/0001" by the Building Authority under S. 30C(3) of the Buildings Ordinance registered vide memorial no.21081202860054 dated 24 June 2014
Remarks: re: common part(s).
3. In our valuation, we assumed the above 2 Notices had been complied with. We did not take into account the existence of the 2 Notices in arriving at our Market Value.
4. The Property falls within an area zoned as "Commercial" Approved Tsim Sha Tsui Outline Zoning Plan No. S/K1/28 gazetted on 13 December 2013.
5. External inspection was carried out by Mr. Denys Kwan *MBA (Const & RE.) Dip.Proj.Man (RICS) FRICS MHKIS FILA MHIREA RPS(GP) Hon.Fellow (UCEM)* on 31 January 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Workshop Nos. A1, A2, A3 and A4 on 2/F & Flat Roof; Nos. A3, A5, A7 and A8 on 3/F; Nos. A5, A6, A7 and A8 on 7/F of Block A;	Texaco Road Industrial Centre is a workshop/ industrial building comprises 17 stories, built with carport on the lower floors. The building was completed in about 1982. The total gross floor area is 74,794 sq. ft.	Workshop No. A3 on 3/F of Block A; Workshop Nos. B1 and B7 on 7/F; Workshop No. B4 on 10/F of Block B are vacant. The remaining workshops and car parking spaces are rented out under various Industrial and car parking tenancies/licences for a total monthly rent of HK\$518,972 (inclusive of Government Rates and management fee).	HK\$318,200,000 (Hong Kong Dollars Three Hundred Eighteen Million and Two Hundred Thousand Only)
Workshop Nos. B5 on 3/F; No. B2, B5 and B8 on 5/F; Nos. B1 and B7 on 7/F; Nos. B1 & B3 on 9/F, No. B4, B6 and B7 on 10/F; No. B6 on 14/F of Block B;	The property is now used as industrial units and car parking spaces. The external condition of the building is reasonable. Government Rent: HK\$600 (Per Annum).		(50% interest attributable to the Group: HK\$159,100,000)
Workshop No.4 & Yard, No. 5, No. 7 & Yard on G/F;			
Lorry Car Parking Space No. L15; Private Car Parking Space Nos. C2, C5, C9, C10, C14 and C19 on 1/F;			
Texaco Road Industrial Centre, Nos. 256-264 Texaco Road and Nos.14-22 Wang Lung Street, Tsuen Wan, New Territories			
701/4420 share of and in Tsuen Wan Town Lot No.242 and 243			

Notes:

- The registered owners of the Property are Sun Tai Tsuen Godown Co. Ltd. (50%) and Sun Prince Godown Ltd. (50%). Both Sun Tai Tsuen Godown Co. Ltd and Sun Prince Godown Ltd. are associated companies held as to 50% directly by the Company. Tsuen Wan Town Lot No. 242 is held under New Grant No. 5589 and Tsuen Wan Town Lot No. 243 is held under New Grant No. 5590.
- The Property falls within an area zoned as "Industrial" under Approved Tsuen Wan Outline Zoning Plan No. S/TW/35 gazetted on 18 February 2022.
- External inspection was carried out by Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS (GP)* on 1 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Car Parking Space Nos.C6, C8, C9 and L6 on 1/F, Wing Kin Industrial Building, Nos. 4-6 Wing King Road, Kwai Chung, New Territories	Wing Kin Industrial Building, is a workshop/ industrial building comprises 26-stories, built with carport on the lower floors. The building was completed in about 1981. The property is used for car parking spaces.	Only car parking space No. C6 on 1/F is rented out under a car parking licence for a monthly rent of HK\$3,200 (inclusive of Government Rates).	HK\$5,800,000 (Hong Kong Dollars Five Million and Eight Hundred Thousand Only)
4/1110 share of and in Kwai Chung Town Lot No.273	The external condition of the building is reasonable. Government Rent: HK\$192 (Per Annum).	Car parking spaces Nos.C8, C9 and L6 on 1/F are vacant.	(50% interest attributable to the Group: HK\$2,900,000)

Notes:

- The registered owners of the Property are Good Fully Realty Limited (50%) and Tai Kong Shan Realty Limited (50%) (Tenants in Common). Tai Kong Shan Realty Limited is a direct wholly owned subsidiary of the Company. Kwai Chung Town Lot No.273 is held under New Grant No. 5252.
- The Property falls within an area zoned as "Industrial" under Approved Kwai Chung Outline Zoning Plan No. S/KC/31 gazetted on 18 November 2022.
- External inspection was carried out by Mr. Alan Au-Yeung BSc (RE), MRICS, MHKIS, RPS (GP) on 1 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Workshop Nos. A1, A2, B1, B2 on G/F; No. B1 on 1/F; Car Parking Space Nos.5, 6, 12, 29, 30, 31, 35 and 36 on 1/F Tsing Yi Industrial Centre Phase I, Nos. 1-33 Cheung Tat Road, Tsing Yi, New Territories	Tsing Yi Industrial Centre is a workshop/ industrial building comprises 16-stories built with carport on the lower floor. The building was completed in about 1985. The total gross floor area is 60,744 sq. ft. The property is now used as industrial units and car parking spaces. The external conditions of the buildings are reasonable. Government Rent: HK\$2,000 (Per Annum)	Car Parking Space No. 29 and 31 on 1/F Tsing Yi Industrial Centre Phase I are vacant. The remaining workshops and car parking spaces are rented out under various industrial and car parking tenancies/licences for a total monthly rent of HK\$853,600 (some exclusive, some inclusive of Government Rates and management fee).	HK\$381,500,000 (Hong Kong Dollars Three Hundred Eighty-One Million and Five Hundred Thousand Only) (25% interest attributable to the Group: HK\$95,375,000)
Car Parking Space No. 16, 57, 58, 59, 60, 61, 62, 69, 72, 73, 74, 75, 84, 86, 87, 89, 90, 91, 92, 93, 94, 102, 103, 104, 105, 106, 107, 117, 118, 119, 128, 129, 130, 162, 163, 164, 165 and 166 on 1/F Tsing Yi Industrial Centre Phase II, Nos. 1-33 Cheung Tat Road, Tsing Yi, New Territories			
689/10000 share of and in the Tsing Yi Town Lot No. 65			

Notes:

- The registered owner of the Property is Sing Mei Properties Limited, which is an associated company held as to 25% indirectly by the Company. Tsing Yi Town Lot No. 65 is held under New Grant No. 5478.
- The Property falls within an area zoned as "Other Specified Uses (BUSINESS)" under Approved Tsing Yi Outline Zoning Plan No. S/TY/32 gazetted on 28 October 2022.
- External inspection as carried out by Mr. Alan Au-Yeung BSc (RE), MRICS, MHKIS, RPS (GP) on 1 February 2023.

VALUATION CERTIFICATE

Property interests held by the Group and its associated companies

Property	Description and tenure	Particulars of occupancy	Market value in its existing state as at 31 January 2023
Units 1-13 on G/F; Units 1-7 on 1/F; Units 1-2, 4-8 & 47 with Storeroom on 3/F; Units 1-50 with Storerooms on 4/F; Units 1-50 with Roofs and Storerooms on 5/F;	World Trade Square is a workshop/industrial building comprises 6-stories built with carport on the lower floors. The building was completed in about 1994. The total gross floor area is 148,081 sq.ft.	Container Parking Space C1, Lorry Parking Space L1 and Car Parking Space C2 on G/F; Car Parking Space C11 and Lorry Parking Spaces L4-L8 on 1/F are vacant.	HK\$688,200,000 (Hong Kong Dollars Six Hundred Eighty-Eight Million and Two Hundred Thousand Only)
Container Parking Space C1, Lorry Parking Space L1, Car Parking Spaces C2 & C3 on G/F; and Lorry Parking Spaces L4-L10, Car Parking Spaces C4, C5 & C8-C11 on 1/F;	The property is now used as industrial units and car parking spaces. The external condition of the building is reasonable. Government Rent is 3% of the Rateable Value of the lot.	The remaining units and parking spaces are rented out under various industrial and car parking tenancies/licences for a total monthly rent of HK\$1,439,078 (some exclusive, some inclusive of Government Rates and management fee).	(25% interest attributable to the Group: HK\$172,050,000)
World Trade Square, No.21 On Lok Mun Street, Fanling, New Territories			
2242/3000 share of and in Fanling Sheung Shui Town Lot No. 12			

Notes:

- The registered owners of the Property are Kin Yuen Hing Investment Co. Ltd. (50%) and Kin Ngai Enterprises Ltd. (50%) (Tenants in Common). Kin Yuen Hing Investment Co. Ltd. is an associated company held as to 50% directly by the Company. Fanling Sheung Shui Town Lot No.12 is held under New Grant No. N12492 commencing from 11 September 1991 to 30 June 2047.
- The Property falls within an area zoned as "Industrial" under Approved Fanling/Sheung Shui Outline Zoning Plan No. S/FSS/26 gazetted on 16 December 2022.
- External inspection was carried out by Mr. Alan Au-Yeung *BSc (RE), MRICS, MHKIS, RPS(GP)* on 7 February 2023.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information to the Shareholders with respect to the Offeror, the Group and the Offer.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS AND OTHER ARRANGEMENTS

For the purpose of this paragraph 2 of this Appendix IV, references to being “interested” in shareholdings are interpreted in the manner described in Part XV of the SFO.

- (a) As at the Latest Practicable Date, save as disclosed in the section headed “4. Shareholding Structure of the Company” in the “Letter from the Joint Financial Advisers” in, and in the paragraph headed “4. Disclosure of Interests and Other Arrangements” in “Appendix V – General Information of the Group” to, this Composite Document, none of the Offeror, its directors and the Offeror Concert Parties had any interest in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (b) The Offeror confirmed that, save as disclosed in this Composite Document, as at the Latest Practicable Date:
 - (i) none of the Offeror, its directors and the Offeror Concert Parties had dealt for value in any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;
 - (ii) there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code between the Offeror, any Offeror Concert Party or any associate of the Offeror and any other person;
 - (iii) none of the Offeror and the Offeror Concert Parties has received any irrevocable commitment to accept the Offer nor any irrevocable undertaking not to accept the Offer;

- (iv) there was no agreement or arrangement to which the Offeror is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) save for 82,368,480 Shares held by the Offeror Concert Parties (representing approximately 68.10% of the total issued Shares), none of the Offeror, its directors and the Offeror Concert Parties owned or had control or direction over any voting rights of the Company or rights over Shares, options, derivatives, warrants or other securities convertible into Shares;
- (vi) none of the Offeror and the Offeror Concert Parties had entered into any arrangement or contract in relation to any outstanding derivatives in respect of securities in the Company;
- (vii) none of the Offeror and the Offeror Concert Parties had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (viii) there was no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between any Shareholder on the one hand and the Offeror or any Offeror Concert Party on the other hand;
- (ix) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons; and
- (x) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any Offeror Concert Party and any of the Directors, recent directors of the Company, the Shareholders or recent shareholders of the Company having any connection with or dependence upon the Offer.

3. QUALIFICATIONS AND CONSENT OF EXPERT

The following are the qualifications of the experts who have given opinions or advice which are contained or referred to in this Composite Document:

Name	Qualifications
Eddid Capital	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Maxa Capital	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Each of Eddid Capital and Maxa Capital has given and has not withdrawn its written consent to the issue of this Composite Document with a copy of its letter and the references to its name included herein in the form and context in which they appear.

4. MISCELLANEOUS

- (a) The principal members of the Offeror Concert Parties are:
- (i) the Cheung Brothers, each of whom is a director of the Offeror and owns 10 issued shares directly (representing one-third of the total number of issued shares) in the capital of the Offeror;
 - (ii) Humphrey Group, all the issued shares of which are directly and wholly owned by Biochoice Limited and the directors of which are Mr. KW Cheung, his spouse Ms. Kung So Ha, Anne and their two children, namely, Ms. Cheung Hing Wai, Jennifer and Mr. Cheung Pui Yin, Jason;
 - (iii) Biochoice Limited, all the issued shares of which are owned by Mr. KW Cheung, his spouse Ms. Kung So Ha, Anne and their two children, namely, Ms. Cheung Hing Wai, Jennifer and Mr. Cheung Pui Yin, Jason, in equal shares and the directors of which are Mr. KW Cheung, his spouse Ms. Kung So Ha, Anne and their two children, namely, Ms. Cheung Hing Wai, Jennifer and Mr. Cheung Pui Yin, Jason;
 - (iv) Pullfield Company Limited, all the issued shares of which are directly and wholly owned by Profit-taking Company Inc. and the directors of which are the Cheung Brothers;

- (v) Profit-taking Company Inc., all the issued shares of which are directly and wholly owned by Megabest Securities Limited and the directors of which are the Cheung Brothers; and
- (vi) Megabest Securities Limited, all the issued shares of which are owned by the estate of Madam Chin Lan Hong, the late mother of the Cheung Brothers, the grant of probate of which is under court process in the BVI and the directors of which are the Cheung Brothers.
- (b) The registered office and correspondence address of the Offeror is at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.
- (c) The correspondence address of each of the Cheung Brothers is at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.
- (d) The registered office of Humphrey Group is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address of Humphrey Group is at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.
- (e) The registered office of Biochoice Limited is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address of Biochoice Limited is at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.
- (f) The registered office and correspondence address of Pullfield Company Limited is at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.
- (g) The registered office of Profit-taking Company Inc. is at 80 Broad Street, Monrovia, Liberia. The correspondence address of Profit-taking Company Inc. is at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.
- (h) The registered office of Megabest Securities Limited is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. The correspondence address of Megabest Securities Limited is at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.
- (i) Eddid Capital and Maxa Capital are making the Offer on behalf of the Offeror and are the joint financial advisers to the Offeror relating to the Offer. The principal place of business of Eddid Capital is at 21/F., CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong. The principal place of business of Maxa Capital is at Unit 1908, Harbour Center, 25 Harbour Road, Wanchai, Hong Kong.

5. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on (a) the website of the SFC (<http://www.sfc.hk>); (b) the website of the Company (<http://www.wahha.com>); and (c) during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong, during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the articles of association of the Offeror;
- (b) the letter dated 26 April 2023 from the Joint Financial Advisers, the text of which is set out on pages 6 to 18 of this Composite Document; and
- (c) the written consents referred to under the paragraph headed “3. Qualifications and Consent of Expert” in this Appendix IV.

1. RESPONSIBILITY STATEMENT

All the Directors jointly and severally accept full responsibility for the accuracy of the information relating to the Group contained in this Composite Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the directors of the Offeror in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the issued share capital of the Company was as follows:

<i>Issued and fully paid:</i>		<i>HK\$</i>
<u>120,960,000</u>	Shares	<u>78,624,000</u>

All Shares in issue rank *pari passu* in all respects with each other, including as to rights in respect of capital and dividends and voting.

The Company has not issued nor allotted any Shares since 31 March 2022, being the date to which the latest audited financial statements of the Company were made up.

As at the Latest Practicable Date, there were 120,960,000 Shares in issue, of which, as advised by the Offeror, the Offeror and the Offeror Concert Parties held 82,368,480 Shares, representing approximately 68.10% of the issued share capital of the Company.

As at the Latest Practicable Date, other than the Shares in issue as disclosed above, the Company did not have in issue any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible or exchangeable into Shares or other types of equity interest of the Company and had not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities.

3. MARKET PRICES

The table below shows the closing price of the Shares as quoted on the Stock Exchange on (a) the last day on which trading took place in each of the calendar months during the Relevant Period; (b) the Last Trading Day; (c) the last Business Day immediately preceding the date of the Joint Announcement; and (d) the Latest Practicable Date.

Date	Closing price of Shares (HK\$)
14 September 2022 (<i>being the Last Trading Day</i>) (<i>Note</i>)	4.400
30 September 2022 (<i>Note</i>)	–
31 October 2022 (<i>Note</i>)	–
30 November 2022 (<i>Note</i>)	–
31 December 2022 (<i>Note</i>)	–
31 January 2023 (<i>Note</i>)	–
28 February 2023 (<i>Note</i>)	–
10 March 2023 (<i>being the last Business Day immediately preceding the date of the Joint Announcement</i>) (<i>Note</i>)	–
31 March 2023 (<i>Note</i>)	–
21 April 2023 (<i>being the Latest Practicable Date</i>) (<i>Note</i>)	–

Note: Trading in the Shares has been suspended since 15 September 2022. The resumption of trading in the Shares is subject to the Company's satisfaction of all resumption guidance set out by the Stock Exchange, remediation of the issues causing the trading suspension and full compliance with the Listing Rules.

During the Relevant Period the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange were HK\$4.400 per Share on 14 September 2022 and HK\$3.750 per Share on 13 September 2022, respectively.

4. DISCLOSURE OF INTERESTS AND OTHER ARRANGEMENTS

Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and the details of any right to subscribe for Shares or shares of any of its associated corporations (within the meaning of Part XV of the SFO) and of the exercise of any such rights, as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in the Listing Rules, or required to be disclosed under the Takeovers Code, were as follows:

Name of Director	Long position/ short position	Capacity	Number of Shares held	Approximate percentage of shareholding <i>(Note 3)</i>
Mr. KW Cheung	Long position	Interests held as beneficial owner and through controlled corporation	19,323,600 <i>(Note 1)</i>	15.98%
Mr. LW Cheung	Long position	Interests held as beneficial owner and by his spouse	23,221,680 <i>(Note 2)</i>	19.20%
Mr. YW Cheung	Long position	Interest held as beneficial owner	22,579,680	18.67%

Notes:

- As at the Latest Practicable Date, 4,173,440 Shares were held by Mr. KW Cheung in his personal capacity, 15,150,160 Shares were held by Humphrey Group. Humphrey Group was 100% owned by Biochoice Limited, and Biochoice Limited was owned as to 50% by Mr. KW Cheung and his spouse (Ms. Kung So Ha, Anne). Accordingly, Mr. KW Cheung was deemed to be interested in 15,150,160 Shares held by Humphrey Group.
- As at the Latest Practicable Date, 22,741,680 Shares were held by Mr. LW Cheung in his personal capacity, 480,000 Shares were held by his spouse (Ms. Wu Suet Yi, Rita).
- As at the Latest Practicable Date, the total number of Shares in issue was 120,960,000 Shares.
- All percentages in the above table are approximations and rounded to two decimal places.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or any of their associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debenture of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be recorded in the register to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code or as required to be disclosed under the Takeovers Code.

Substantial shareholders' interests and short positions in the Shares, underlying Shares and debentures

So far as is known to the Directors or chief executives of the Company, as at the Latest Practicable Date, the interests of every person (not being a Director or chief executive of the Company) in the Shares and underlying Shares as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Substantial Shareholders	Number of Shares held	Approximate percentage of shareholding <i>(Note 6)</i>
Kung So Ha, Anne <i>(Note 1)</i>	19,323,600	15.98%
Biochoice Limited <i>(Note 2)</i>	15,150,160	12.52%
Humphrey Group <i>(Note 2)</i>	15,150,160	12.52%
Wu Suet Yi, Rita <i>(Note 3)</i>	23,221,680	19.20%
Hoh Kwok Hing, Corinne <i>(Note 4)</i>	22,579,680	18.67%
Persons other than substantial Shareholders		
Chin Lan Hong, deceased <i>(Note 5)</i>	11,295,600	9.34%
Megabest Securities Limited <i>(Note 5)</i>	11,295,600	9.34%
Profit-taking Company Inc. <i>(Note 5)</i>	11,295,600	9.34%
Pullfield Company Limited <i>(Note 5)</i>	11,295,600	9.34%

Notes:

- Ms. Kung So Ha, Anne is the spouse of Mr. KW Cheung and is taken to be interested in the Shares in which Mr. KW Cheung is interested. As at the Latest Practicable Date, Mr. KW Cheung was interested in 19,323,600 Shares, details of which are set forth in note 1 to the sub-paragraph headed "Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures" above.
- Please refer to note 1 to the sub-paragraph headed "Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures" above.

3. Ms. Wu Suet Yi, Rita is the spouse of Mr. LW Cheung and is taken to be interested in the Shares in which Mr. LW Cheung is interested. As at the Latest Practicable Date, Mr. LW Cheung was interested in 23,221,680 Shares, details of which are set forth in note 2 to the sub-paragraph headed “Directors’ and chief executives’ interests and short positions in the Shares, underlying Shares and debentures” above.
4. Ms. Hoh Kwok Hing, Corinne is the spouse of Mr. YW Cheung and is taken to be interested in the Shares in which Mr. YW Cheung is interested. As at the Latest Practicable Date, Mr. YW Cheung was interested in 22,579,680 Shares.
5. As at the Latest Practicable Date, 11,295,600 Shares were held by Pullfield Company Limited, all of which Profit-taking Company Inc., Megabest Securities Limited and the estate of Chin Lan Hong, deceased, are taken to be interested. Please refer to the section headed “3. Information regarding the Offeror and parties acting in concert with it – The principal parties acting in concert with the Offeror” in the “Letter from the Joint Financial Advisers” in this Composite Document for details.
6. As at the Latest Practicable Date, the total number of Shares in issue was 120,960,000 Shares.
7. All percentages in the above table are approximations and rounded to two decimal places.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any person (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO as being directly or indirectly interested in 5% or more of the issued share capital of the Company.

5. INTERESTS IN THE COMPANY AND ARRANGEMENTS IN CONNECTION WITH THE OFFER

As at the Latest Practicable Date:

- (a) save as disclosed in paragraph 4 of this Appendix V, none of the Directors had any interest in the Shares, derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into the Shares;
- (b) none of the subsidiaries of the Company, pension funds of the Company or any of its subsidiaries, or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (other than exempt principal traders and exempt fund managers) owned or controlled any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;
- (c) there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or with any person who is presumed to be acting in concert with the

Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;

- (d) no Shares or any convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
- (e) none of the Company and the Directors had borrowed or lent any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;
- (f) other than the Cheung Brothers, none of the Directors had any beneficial shareholdings in the Company which would entitle them to accept or reject the Offer; and
- (g) other than the Cheung Brothers, none of the Company and the Directors had owned or controlled any shares or any securities, convertible securities, warrants, options or derivatives in respect of the shares or securities of the Offeror.

6. INTEREST IN THE OFFEROR

As at the Latest Practicable Date, save and except the Cheung Brothers own the shares of the Offeror, none of the Company nor any of its Directors had any interest in the shares of the Offeror or convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

7. ARRANGEMENTS AFFECTING DIRECTORS

As at the Latest Practicable Date:

- (a) no arrangement was in place for any benefit (other than statutory compensation) to be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (c) save and except Cheung Brothers own the shares of the Offeror, there was no material contract entered into by the Offeror in which any Director had a material personal interest.

8. DEALING IN SECURITIES AND OTHER ARRANGEMENTS

During the Relevant Period:

- (a) none of the Directors had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into the Shares or other types of equity interest in the Company;
- (b) save and except the Cheung Brothers own the shares of the Offeror, none of the Company nor the Directors had dealt for value in any shares of the Offeror or any other convertible securities, warrants, options or derivatives or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any shares of the Offeror;
- (c) none of the subsidiaries of the Company, pension funds of the Company or of its subsidiaries, or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (other than exempt principal traders and exempt fund managers) had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (d) no person who has any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) or (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate”, and hence no such person had dealt for value in the Shares and other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (e) no fund managers (other than exempt fund managers) connected with the Company who managed funds on a discretionary basis had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of any Shares; and
- (f) there was no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on one hand and the Company, its subsidiaries or associate companies on the other hand.

9. DIRECTOR'S SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had in force a service contract with any member of the Group or the associated companies of the Company which:

- (a) have been entered into or amended (including both continuous and fixed term contracts) within six months prior to the commencement of the Offer Period;
- (b) are continuous contracts with a notice period of 12 months or more; or
- (c) are fixed term contracts with more than 12 months to run irrespective of the notice period.

None of the Directors will be or has been given any benefits (save for any statutory compensation required under appropriate laws) as compensation for loss of office or otherwise in connection with the Offer.

10. MATERIAL CONTRACTS

No material contracts (being the contracts not entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) had been entered into by the Company or any of its subsidiaries within the date two years before the commencement of the Offer Period up to and including the Latest Practicable Date.

11. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and, so far as the Directors were aware, no litigation or claims of material importance was pending or threatened by or against the Company and any of its subsidiaries.

12. QUALIFICATIONS AND CONSENT OF EXPERT

In addition to those listed in paragraph 3 of Appendix IV to this Composite Document, the following are the qualifications of the experts who have given opinions or advice which are contained or referred to in this Composite Document:

Name	Qualifications
Grande Capital	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
C S Surveyors	independent property valuer

Each of Grande Capital and C S Surveyors has given and has not withdrawn its written consent to the issue of this Composite Document with a copy of its letter and the references to its name included herein in the form and context in which it appears.

As at the Latest Practicable Date, neither the Independent Financial Adviser nor C S Surveyors had any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 March 2022, being the date of the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

13. MISCELLANEOUS

- (a) The registered office of the Company is at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong.
- (b) The address of the Registrar, Hongkong Managers and Secretaries Limited, is at Units 1607-8, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

14. DOCUMENTS ON DISPLAY

In addition to the documents set forth in paragraph 5 of Appendix IV to this Composite Document, copies of the following documents are available for inspection on (a) the website of the SFC (<http://www.sfc.hk>); (b) the website of the Company (<http://www.wahha.com>); and (c) during normal business hours from 9:00 a.m. to 5:00 p.m. (other than Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Room 2500, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong, during the period from the date of this Composite Document up to and including the Closing Date:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for each of the two financial years ended 31 March 2021 and 2022 and the interim report of the Company for the six months ended 30 September 2022;
- (c) the letter dated 26 April 2023 from the Board, the text of which is set out on pages 19 to 23 of this Composite Document;
- (d) the letter dated 26 April 2023 from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this Composite Document;
- (e) the letter dated 26 April 2023 from the Independent Financial Adviser, the text of which is set out on pages 26 to 55 of this Composite Document;
- (f) the property valuation report of the Group as set out in “Appendix III – Property Valuation of the Group” to this Composite Document;
- (g) the written consents referred to under the paragraph headed “12. Qualifications and Consent of Expert” in this Appendix V; and
- (h) this Composite Document and the accompanying Form of Acceptance.