

IMPORTANT

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

If you have sold or transferred all your shares in O Luxe Holdings Limited, you should at once hand this circular to the purchaser or the transferee, or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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O Luxe Holdings Limited

奧立仕控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 860)

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
A 60% EQUITY INTEREST IN
POWER BOOM INTERNATIONAL LIMITED**

Financial adviser to O Luxe Holdings Limited


Optima Capital Limited

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DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by the Company from Golden Mega pursuant to the terms of the Acquisition Agreement
“Acquisition Agreement”	the conditional sale and purchase agreement dated 16 May 2016 (supplemented by the supplemental agreements dated 25 May 2016, 19 December 2016 and 31 March 2017) entered into among the Company, Golden Mega and Mr. Zhang in relation to the Acquisition
“Acquisition Circular”	the circular dated 11 July 2016 issued by the Company in connection with the Acquisition
“Agreement”	the conditional sale and purchase agreement dated 29 June 2017 entered into between the Company and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or a day on which tropical cyclone warning signal number 8 or above or a black rainstorm warning is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general business during their normal business hours
“Company”	O Luxe Holdings Limited (奧立仕控股有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 860)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Consideration”	HK\$610 million, being the consideration for the Sale Shares under the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Sale Shares by the Company to the Purchaser pursuant to the terms and conditions of the Agreement
“Enlarged Group”	the Group immediately upon Completion and completion of the Proposed Acquisition

DEFINITIONS

“Golden Mega”	Golden Mega Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly and beneficially owned by Mr. Zhang
“Grand Cellar”	Grand Cellar Hong Kong Company Limited, a company incorporated in Hong Kong with limited liability
“Grant Sherman”	Grant Sherman Appraisal Limited, an independent professional valuer
“Group”	the Company and its subsidiaries
“Guangzhou Hong Cheng”	廣州弘城貿易有限公司 (Guangzhou Hong Cheng Trading Company Limited*), a company incorporated in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huangpu City Construction”	廣州市黃埔區城市建設開發公司 (Guangzhou City Huangpu District City Construction Development Company*), a company incorporated in the PRC
“Independent Third Party(ies)”	third party(ies) who is(are) independent of the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	16 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lam”	Mr. Lam Chi Sing, the ultimate beneficial owner of the Purchaser
“Mr. Zhang”	Mr. Zhang Jinbing, the chairman of the Company and an executive Director
“Power Boom”	Power Boom International Limited (盛力國際有限公司), a company incorporated in the British Virgin Islands with limited liability
“Power Boom Group”	Power Boom and its subsidiaries
“PRC”	The People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan

DEFINITIONS

“Prestige Rich”	Prestige Rich Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Mr. Zhang
“Project Company”	廣州僑誼房產開發有限公司 (Guangzhou Qiao Yi Property Development Company limited*), a company incorporated in the PRC with limited liability
“Property”	the parcel of land located at north-eastern side of Gangwan Road, Huangpu District, Guangzhou City, Guangdong Province with state-owned land use certificate 穗地證字(2010)第0119171號
“Proposed Acquisition”	the proposed acquisition of the entire issued share capital and outstanding share options in the Target by the Company pursuant to the respective terms of the sale and purchase agreements dated 7 July 2017 and the share consolidation to be implemented by the Target (details of which are set out in the announcement of the Company dated 7 July 2017)
“Purchaser”	Clever Trade Investment Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale Shares”	600 issued shares in Power Boom, representing 60% of the issued share capital of Power Boom
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	GLM Co., Ltd.
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“JPY”	Japanese Yen, the lawful currency of Japan
“RMB”	Renminbi, the lawful currency of the PRC
“sq. m.”	square metres
“%”	per cent.

* For identification purpose only

DEFINITIONS

In this circular, amounts in RMB and JPY are translated into HK\$ on the basis of RMB1 = HK\$1.145 and HK\$1 = JPY14.2787. The conversion rates are for illustration purpose only and should not be taken as a representation that RMB and JPY could actually be converted into HK\$ at such rates or at other rates or at all.

LETTER FROM THE BOARD



O Luxe Holdings Limited

奧立仕控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 860)

Executive Directors:

Mr. Zhang Jinbing (*Chairman*)
Mr. Ho King Fung, Eric (*Co-Chairman*)
Mr. Wong Chi Ming, Jeffry
(Chief Executive Officer)
Mr. Yu Fei, Philip

Registered office:

Cricket Square,
Hutchins Drive, P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Non-executive Director:

Mr. Xiao Gang

Head office and principal place of business:

Room 302, 3rd Floor
Lippo Sun Plaza
28 Canton Road, Tsim Sha Tsui
Kowloon
Hong Kong

Independent non-executive Directors:

Mr. Tam Ping Kuen, Daniel
Dr. Li Yifei
Dr. Zhu Zhengfu

21 August 2017

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
A 60% EQUITY INTEREST IN
POWER BOOM INTERNATIONAL LIMITED**

INTRODUCTION

Reference is made to the announcements of the Company dated 29 June 2017 and 20 July 2017 in relation to the Disposal.

After the trading hours of the Stock Exchange on 29 June 2017, the Company and the Purchaser entered into the Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing a 60% equity interest in Power Boom, at a cash Consideration of HK\$610 million.

LETTER FROM THE BOARD

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to, among other things, the Shareholders' approval requirements.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and accordingly no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the resolution(s) in respect of the Agreement and the transactions contemplated thereunder. Prestige Rich, being the controlling Shareholder holding 2,633,622,316 Shares (representing approximately 59.70% of the issued Shares as at the date of the Agreement), has given its written approval for the Agreement and the transactions contemplated thereunder and such written approval is accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, details of the Disposal, the valuation report of the Property, and other information as required under the Listing Rules.

THE AGREEMENT

Details of the Agreement are set out as follows:

Date

29 June 2017

Parties

- (i) The Company, being the Vendor; and
- (ii) Clever Trade Investment Limited, being the Purchaser.

The Purchaser is an investment holding company and is wholly and beneficially owned by Mr. Lam. Mr. Lam is principally engaged in property investment and development businesses in the PRC and is a business acquaintance of Mr. Zhang, the chairman of the Company and an executive Director. Mr. Lam and Mr. Zhang had known each other around three years ago at a social event with other business acquaintances. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and Mr. Lam are Independent Third Parties.

Assets to be disposed of

Pursuant to the Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares. The Sale Shares, representing a 60% equity interest in Power Boom, will be sold free from all encumbrances and together with all rights attaching thereto from Completion, including any dividend to be declared, made or paid after Completion. Power Boom indirectly holds a 78% equity interest in the Project Company, which is principally engaged in property development business and owns the Property in the PRC. Further information of the Power Boom Group and the Property are set out in the section headed "Information of the Power Boom Group" below.

LETTER FROM THE BOARD

Consideration

The Consideration of HK\$610 million shall be paid by the Purchaser to the Company in cash at Completion.

The Consideration was determined after arm's length negotiations between the parties to the Agreement with reference to the preliminary indication of the fair value of the Property as at 11 May 2017 of RMB1,135.2 million (equivalent to approximately HK\$1,300 million) as appraised by an independent professional valuer based on market approach and the 46.8% effective interest in the Property attributable to the Sale Shares.

Conditions

Completion is conditional upon the fulfilment (or waiver, as the case may be) of the following conditions:

- (i) the Purchaser having completed and satisfied with the results of a due diligence review on the Power Boom Group (including but not limited to aspects relating to legal, financial and business);
- (ii) the passing of the necessary resolution(s) by the Shareholders at an extraordinary general meeting of the Company to be convened and held, or the obtaining of written approval from a Shareholder or a closely allied group of Shareholders holding more than 50% of the issued Shares which is accepted in lieu of holding a general meeting of the Company, to approve the Agreement and the transactions contemplated thereunder;
- (iii) Golden Mega, which holds the other 40% equity interest in Power Boom, having given up its pre-emptive rights or other rights under the memorandum and articles of association and other documents of Power Boom in respect of the Sale Shares;
- (iv) each member of the Power Boom Group having obtained all necessary consents, approvals, orders, permissions, authorisations, registrations, notices, waivers and any other governmental authorisations for carrying out its business in accordance with the relevant laws of its place of incorporation and place of business; and
- (v) the representations and warranties made by the Company in the Agreement remaining true and accurate as at Completion.

The Purchaser may at any time waive the above conditions except (ii) and (iii) above by notice in writing to the Company.

As at the Latest Practicable Date, the condition (ii) had been fulfilled.

If any of the above conditions is not fulfilled or waived by the Purchaser (as the case may be) on or before 30 September 2017, or such later date as the parties to the Agreement may agree in writing, the Agreement shall cease and determine (save and except for the provisions dealing with confidentiality, notices, fees, legal validity and governing law and jurisdiction) and no party to the Agreement shall have any obligations towards the other save for any antecedent breaches of the Agreement.

LETTER FROM THE BOARD

Completion

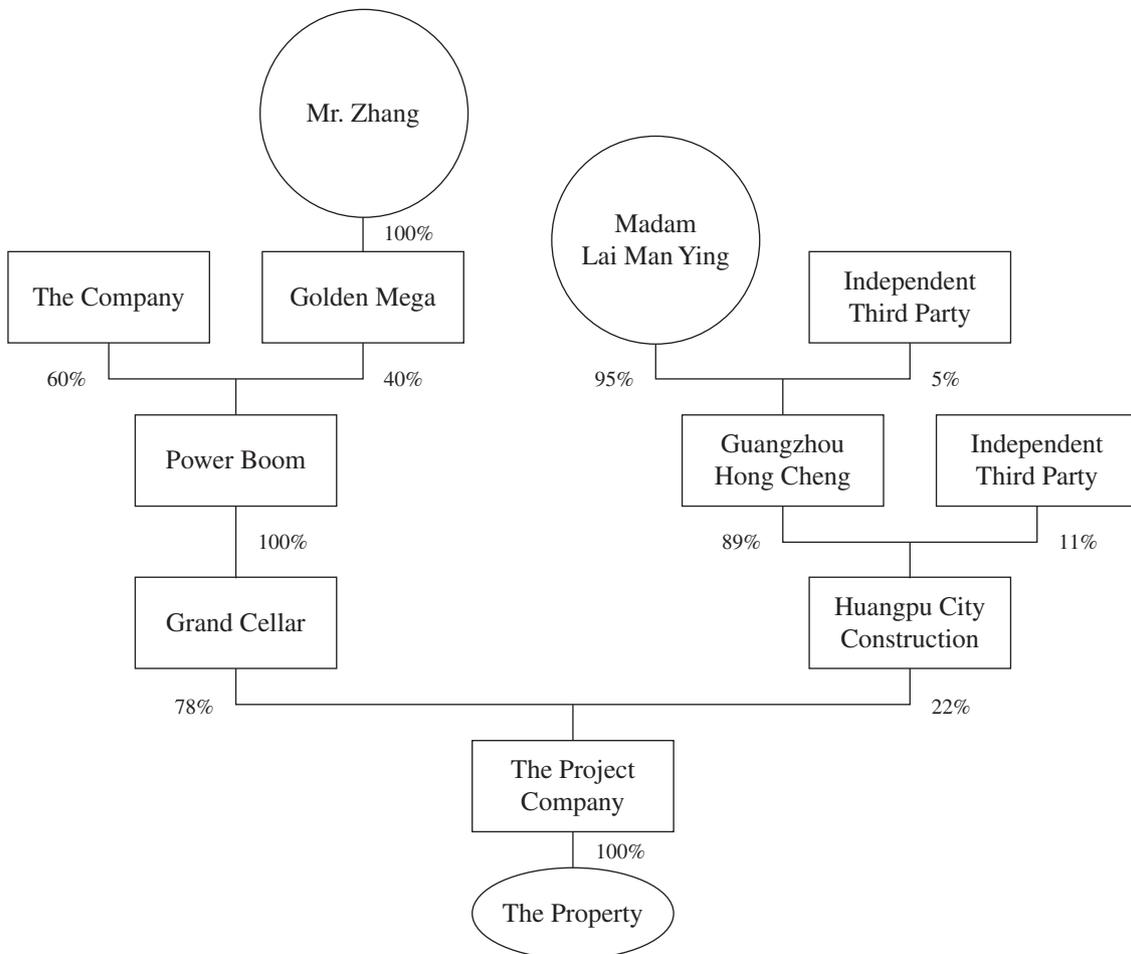
Completion shall take place on the fifth Business Day after all the conditions precedent under the Agreement have been fulfilled or waived, or such other date as may be agreed by the Purchaser.

Upon Completion, the Company will cease to hold any interest in Power Boom and therefore Power Boom will cease to be a subsidiary of the Group. The accounts of the Power Boom Group will no longer be consolidated in the financial statements of the Group.

INFORMATION OF THE POWER BOOM GROUP

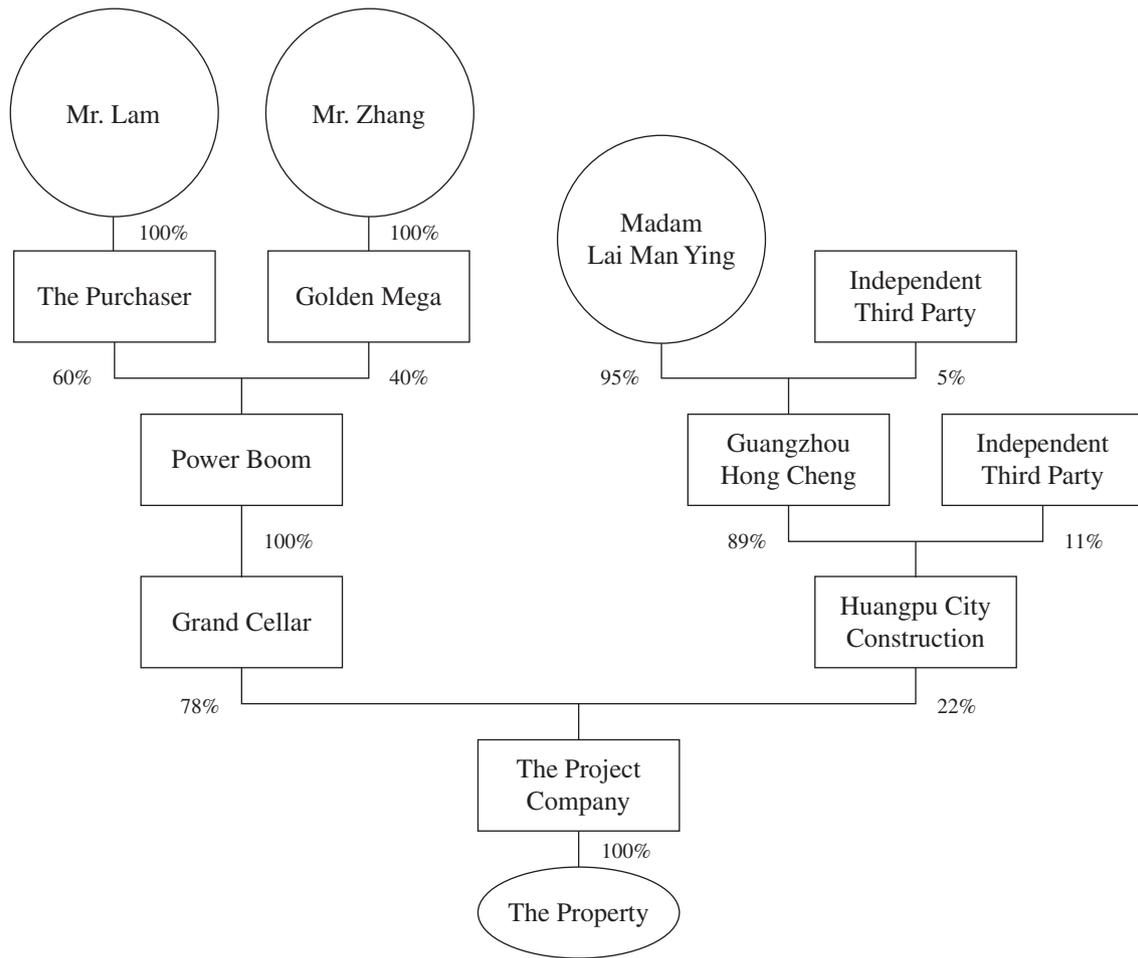
Group structure

The diagram below depicts the group structure of the Power Boom Group as at the Latest Practicable Date and immediately before Completion:



LETTER FROM THE BOARD

The diagram below depicts the group structure of the Power Boom Group immediately after Completion:



Principal business

The Power Boom Group comprises three members, namely Power Boom, Grand Cellar and the Project Company.

Power Boom is an investment holding company incorporated in the British Virgin Islands in April 2006. As at the Latest Practicable Date, the issued share capital of Power Boom is owned as to 60% by the Company and 40% by Golden Mega. Golden Mega is in turn wholly owned by Mr. Zhang (the chairman of the Company and an executive Director).

Grand Cellar is a company incorporated in Hong Kong in July 2006 and is wholly owned by Power Boom. It had been principally engaged in trading of wines but the operations ceased in 2016. As at the date of the Agreement, Power Boom and Grand Cellar did not have any material assets, liabilities and operations save for their respective investment in their direct subsidiary.

LETTER FROM THE BOARD

The Project Company is a sino-foreign cooperative joint venture established in the PRC in April 1992. Grand Cellar became interested in a 78% equity interest and the controlling shareholder of the Project Company since 3 May 2017. The remaining 22% equity interest in the Project Company is held by Huangpu City Construction. Huangpu City Construction is owned as to approximately 89% by Guangzhou Hong Cheng and approximately 11% by an Independent Third Party, while Guangzhou Hong Cheng is in turn owned as to 95% by Madam Lai Man Ying (the spouse of Mr. Zhang) and 5% by an Independent Third Party. Both Huangpu City Construction and Guangzhou Hong Cheng are principally engaged in investment holding.

The Project Company is principally engaged in property development business in the PRC with its principal asset being the Property. The Property is a parcel of land with a valid state-owned land use certificate obtained in 1992. The Property is situated at the north-eastern side of 港灣路 (Gangwan Road*), at the junction of 中山大道東 (Zhongzhan Road East*) and 公園西路 (Gongyuan West Road*), Huangpu District, Guangzhou City, Guangdong Province, the PRC, with a site area of approximately 12,732 sq. m.. The Property is currently vacant. Based on the development plan prepared by the Project Company (the “**Development Proposal**”), the Property is proposed to be developed into a mixed use residential and commercial development with a total gross floor area of approximately 64,000 sq. m.. As at the Latest Practicable Date, the Project Company was yet to submit the Development Proposal to the relevant authorities for approval and accordingly, the development work of the Property had not yet commenced.

Financial information

The Power Boom Group

Set out below is the financial information of the Power Boom Group as extracted from its audited consolidated financial statements for the year ended 30 June 2015 and its unaudited consolidated financial statements for the year ended 30 June 2016 and for the eleven months ended 31 May 2017, which were prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 30 June	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/Profit before taxation	(7)	249
(Loss)/Profit after taxation	(7)	249
		As at
		31 May 2017
		<i>(unaudited)</i>
		<i>HK\$'000</i>
Net assets attributable to the owners of Power Boom		1,014,263

LETTER FROM THE BOARD

As the financial statements of the Project Company were consolidated into the financial statements of the Power Boom Group since 3 May 2017 (the date on which Grand Cellar has obtained control of the Project Company), the financial information of the Project Company for the two years ended 31 December 2015 and 2016 was not fully reflected in the financial information of the Power Boom Group as stated above and is separately presented below.

The Project Company

Set out below is the financial information of the Project Company as extracted from its audited financial statements for the year ended 31 December 2015 and its unaudited financial statements for the year ended 31 December 2016 and for the five months ended 31 May 2017, which were prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2015	2016
	<i>(audited)</i>	<i>(unaudited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss before taxation	5,558	—
Loss after taxation	5,558	—
		As at
		31 May 2017
		<i>(Unaudited)</i>
		<i>HK\$'000</i>
Net assets		28,642

The Project Company recorded a loss for the year ended 31 December 2015, which represents principally the penalty imposed by relevant PRC authorities on the Project Company for the overdue payment of land transfer premium in relation to the Property, which is non-recurring in nature.

The net assets of the Project Company as at 31 May 2017 mainly comprise the Property which was recorded at its carrying value in the amount of approximately HK\$28.5 million without taking into account the fair value adjustment based on the valuation of the Property as at 31 May 2017 of RMB1,135.2 million (equivalent to approximately HK\$1,300 million) as appraised by an independent professional valuer based on market approach as disclosed in appendix II to this circular.

BACKGROUND TO THE ACQUISITION AND THE DISPOSAL

Background to the Acquisition

The Company acquired the Sale Shares from Golden Mega pursuant to the Acquisition Agreement at a consideration of HK\$588 million, details of which were disclosed in the announcements of the Company dated 25 May 2016, 27 July 2016, 19 December 2016, 31 March 2017 and 11 May 2017 and the Acquisition Circular.

LETTER FROM THE BOARD

The Acquisition came about in around November 2015 when Mr. Zhang and Mr. Wong Chi Ming Jeffry (“**Mr. Wong**”), both were executive Directors at the material time, had a review on the business development of the Group and had discussions on exploring new business opportunities to expand the operations of the Group in view of the Group’s continued loss making results. During the discussions, Mr. Zhang introduced the Property in which he and his spouse had interests to Mr. Wong and mentioned that he could sell the Property to the Company. Mr. Zhang presented to Mr. Wong that the Property was situated at prime area in Guangzhou and should be of good prospects for capital appreciation and development potential. Mr. Zhang further explained to Mr. Wong that Huangpu City Construction, a company controlled by his spouse, had an agreement in 2005 with Kam Lee Construction Company Limited (“**Kam Lee**”), an Independent Third Party, to acquire a 78% interest in the Project Company which holds the Property. However, Kam Lee did not honour its obligation to effect the transfer of the 78% interest in the Project Company to a company nominated by Huangpu City Construction, being Grand Cellar (the “**Transfer**”). Legal actions had been taken to effect the Transfer over the years and in July 2015, Guangzhou Arbitration Commission granted an arbitration award (the “**Award**”) in favour of Grand Cellar in respect the Transfer. Mr. Zhang considered that the disputes with Kam Lee had been resolved and the Transfer would be completed in the near future following the Award. In this regard, Mr. Wong proposed to conduct a due diligence review on the companies holding the Property and the compliance requirements if the Company were to proceed with the Acquisition.

After the aforesaid discussions and during December 2015 to April 2016, the Company sought professional advice from its PRC legal adviser on the legal status of the Award, including the enforceability of the Award and the steps and procedures as well as the estimated time involved in completing the Transfer. The Company also engaged the Company’s auditor and Grant Sherman to review the financial information of Power Boom and the Project Company and assess the valuation of the Property respectively.

The Company understood that Huangpu City Construction made an application (the “**Application**”) to Guangzhou Huangpu People’s Court (the “**Court**”) to enforce the Award on 5 April 2016. Following the filing of the Application and based on the advice from the Company’s PRC legal adviser regarding the estimated time to complete the Transfer, Mr. Wong commenced negotiations of the terms of the Acquisition with Mr. Zhang, including the structure of the consideration, payment terms, issue price of the consideration shares and conditions precedent to completion, in early May 2016. The Company also engaged its legal adviser to commence drafting of a sale and purchase agreement, in particular the representations and warranties required, for the parties to review.

The agreement in relation to the acquisition of a 75% interest in Power Boom was entered into among the Company, Golden Mega and Mr. Zhang on 16 May 2016. The consideration was HK\$735 million which was determined with reference to the preliminary valuation of the Property indicated by Grant Sherman. A supplemental agreement was entered into among the same parties on 25 May 2016 to amend the percentage interest in Power Boom to be acquired by the Company from 75% to 60% and to adjust the consideration from HK\$735 million to HK\$588 million correspondingly.

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After receiving the Application, the Court issued a notice to Kam Lee in early June 2016 ordering Kam Lee to complete the Transfer within seven working days of the receipt of such notice. Despite such notice issued by the Court, Kam Lee failed to complete the Transfer. Grand Cellar followed up with the Court during June to September 2016 for the issuance of an execution order to the Guangzhou Municipal Commission of Commerce and relevant competent industry and commerce administration authorities requesting them to assist in completing the Transfer.

The Court issued an execution order to the Guangzhou Municipal Commission of Commerce on 18 September 2016 requesting it to approve the Transfer. Subsequently on 10 October 2016, the Guangzhou Municipal Commission of Commerce informed the Court that (i) with effect from 8 October 2016, there had been changes to the regulations and procedures and the Transfer no longer required the approval of the Guangzhou Municipal Commission of Commerce; and (ii) the Transfer was only required to be registered with the Guangzhou Commerce Administration Authority by completing certain registration procedures (the “**Registration**”). The Court then issued another execution order to the Guangzhou Commerce Administration Authority on 4 November 2016 (the “**Execution Order**”) requesting it to assist in completing the Registration.

After receiving a copy of the Execution Order, Grand Cellar, through lawyers and various government contacts, continued to make follow up enquiries during November 2016 to April 2017 with the Guangzhou Commerce Administration Authority on the status of the Registration. However, apart from being notified that the matter was being processed, no commitment was given on the timing of completing the Registration. On 3 May 2017, the officer of the Guangzhou Commerce Administration Authority verbally informed Mr. Zhang of the completion of the Registration of the Transfer. Subsequently, the PRC legal adviser of the Company made an online search on the relevant publication system of the Guangzhou Commerce Administration Authority and noted that the Registration had been completed and Grand Cellar had been registered as the 78% shareholder of the Project Company. The Acquisition was completed on 11 May 2017 following the completion of the Transfer.

The Board considered that it had conducted adequate due diligence on the Acquisition to consider and assess the expected risks and returns of the Acquisition. In particular,

- (i) as regards legal risks, the Board reviewed the drafts of legal due diligence report and legal opinions prepared by the Company’s PRC legal adviser on the Project Company and the Property and noted, among other things, that (a) the Award is a final and binding decision of the Court; (b) there is no legal impediment to complete the Transfer; and (c) there is no legal impediment for the Project Company to obtain all necessary licences, approvals and permits for its property development business. The Board also obtained advice from its PRC legal adviser on the procedures and estimated time needed for completion of the Transfer and the business registration of the Project Company. To safeguard the Company’s interest, appropriate conditions precedent to completion of the Acquisition, being (a) the satisfactory completion of the reorganisation of the Power Boom Group (i.e. the Transfer); and

LETTER FROM THE BOARD

- (b) the obtaining of all necessary licenses, approvals and permits of the members of the Power Boom Group, have been included in the terms of the Acquisition Agreement;
- (ii) as regards business risks, the Board reviewed the draft of the Development Proposal prepared by the project management team of the Project Company with the assistance of external professional parties and discussed the basis of estimating the development timetable and development cost in the Development Proposal with the project management team. Having taken into account the experience of the project management team and based on the experience of the Directors in the property development business in the PRC, the Board considered the Development Proposal to be a reasonable and commercially viable development plan for the Property;
- (iii) as regards financial risks, it was included as a term in the shareholders' agreement entered into between the Company, Golden Mega and Power Boom upon completion of the Acquisition that Power Boom and its subsidiaries shall obtain external funding to meet its future working capital requirements and capital expenditures for the development of the Property, failing which Golden Mega alone will provide all necessary funding for the development of the Property. In this respect, the development of the Property was not expected to create undue pressure on the Group's working capital position; and
- (iv) the Board reviewed the draft property valuation report prepared by Grant Sherman and noted the valuation of the Property on an "as is" basis was approximately HK\$1,335 million as at 30 April 2016. The consideration for the Acquisition of HK\$588 million was negotiated based on such valuation and represented a slight discount of 5.9% to the valuation of the Property attributable to Power Boom of approximately HK\$624.8 million. The Company also noted the valuation of the Property on a "completed" basis attributable to Power Boom was approximately HK\$989.7 million, based upon which the Company expected that there would be a satisfactory investment return on the investment in Power Boom following completion of the development works of the Property.

Background to the Disposal

In early 2017, Mr. Lam approached Mr. Zhang to explore joint development of the Property with the Company or, if the Company was willing, to acquire the Property. As the Acquisition has not yet been completed at that time, Mr. Zhang indicated to Mr. Lam that the Company would re-consider the proposal at a later time after the Acquisition was completed.

After the announcement by the Company of the completion of the Acquisition on 11 May 2017, Mr. Lam approached Mr. Zhang in early June 2017 again about the proposal to jointly develop or to acquire the interest in the Property from the Company. Mr. Zhang indicated to Mr. Lam that the Company would consider selling its interest in the Property at a consideration based on the latest valuation as appraised by an independent professional valuer and if such valuation (attributable to Power Boom) would not be less than HK\$600 million.

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The Company then appointed Grant Sherman to assess the fair value of the Property. After reviewing the preliminary indication of the latest fair value of the Property provided by Grant Sherman in mid June 2017 and the financial information of the Power Boom Group, Mr. Zhang proposed the consideration of HK\$618 million for the 60% interest in Power Boom to Mr. Lam. Mr. Lam asked to be provided with a draft agreement first before coming to agreement on the consideration. The Company therefore instructed its legal adviser to prepare the draft Agreement, which was then circulated to the Purchaser for comment on 20 June 2017. The Company and the Purchaser continued negotiations on the terms including the consideration for the Disposal. The terms and conditions of the Agreement including the consideration of HK\$610 million were finally agreed on 29 June 2017 between the Purchaser and the Company and the Agreement was signed after trading hours of the Stock Exchange on 29 June 2017.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is engaged in investment holding and the principal activities of its subsidiaries are distribution of watches, wholesale trading of jewellery products, money lending, securities investments and property investment. The Group also holds an investment in the Chi Feng gold mine in Mongolia.

At the time of the Acquisition, the Company intended to hold the units to be developed on the Property for sale and rental purposes upon completion of the development work to generate rental income and capital appreciation potential to the Group. The development work was expected to take around two years from the date of commencement of construction work and the total development costs and financing costs were estimated to be approximately HK\$250 million. Based on the legal advice obtained by the PRC legal adviser at the time of the Acquisition Circular, it was expected that the Court would issue an execution order by the end of July 2016 to the Guangzhou Municipal Commission of Commerce requesting assistance to complete the Transfer, the Power Boom Group would complete the reorganisation (i.e. the Transfer) in August 2016 and the Project Company would obtain all the necessary licences, approvals and permits from relevant PRC authorities for its property development business in October 2016. However, due to the time taken to obtain the necessary approvals for the reorganisation (as explained below) and the other licences required for the business of the Project Company was much longer than expected, the Acquisition was finally completed on 11 May 2017.

The Board first noted that there would be a delay in completing the reorganisation of the Power Boom Group and obtaining the necessary licences for the development of the Property when the execution order in relation to the Transfer was not issued in July 2016 as originally expected. In any event in September 2016, the Court issued an execution order addressed to the Guangzhou Municipal Commission of Commerce. Subsequent to this, the Guangzhou Municipal Commission of Commerce informed the Court that there was a change in the relevant regulations in that the Registration was no longer required to be approved by the Guangzhou Municipal Commission of Commerce. On 10 October 2016, the Board was informed of such changes in the procedure regarding the Registration which took effect from 8 October 2016. The Court subsequently issued the Execution Order on 4 November 2016 to the Guangzhou Commerce Administration Authority requesting it to assist in completing the

LETTER FROM THE BOARD

Registration. During November 2016 to April 2017, Grand Cellar continued to make follow up enquiries with the relevant government authorities through its lawyers and various government contacts on the status of the Registration from time to time but no commitment was given on when the Registration would be completed. The Registration was finally completed in May 2017. The Directors believed that such delay in the Registration and the Transfer could have been caused by the changes in the government regulations and procedures, which had resulted in confusion between administrative and judiciary departments of the government during the transition period.

Furthermore, the responsible authority for approval of the Development Proposal had gone through several changes of senior personnel since July 2016. Based on the discussions with the project management team of the Project Company and certain construction contractors, the Directors considered that the changes in senior personnel in the responsible authority might have caused the general slowdown in approval of property development proposals since the second half of 2016. This casts uncertainty on the timing of the approval of the Development Proposal and possibly further delay in the overall development timetable which was not contemplated at the time of the Acquisition.

Having considered (a) the unexpected lengthy process in obtaining the necessary approval prior to completion of the Acquisition; and (b) the great uncertainties over the processing time that might be needed for obtaining the approval of the Development Proposal due to the several changes of senior personnel in the relevant local government authority, which may impact on the overall efficiency of the vetting and approval procedures, the Directors are concerned that there would be severe delay in the development timetable. The uncertainties in the development timetable may have material implications on the marketability and profitability of the Property. The Directors consider that the possible delay in the development schedule will adversely affect the financing and other costs of construction, and therefore the return on investment. As a result, the Company considers it appropriate to realise its investment in Power Boom.

Despite the short period of time between completion of the Acquisition and the date of the Agreement, the Company had committed to the Acquisition back in May 2016. The Directors consider that the terms of the Acquisition, including the consideration which was determined with reference to the then independent valuation of the Property and the issue price of the consideration shares was determined with reference to the market price of the Shares prevailing at the time of the Acquisition Agreement, are fair and reasonable and the Acquisition was in line with the Group's strategy to diversify its source of income which is in the interests of the Company and the Shareholders as a whole. The delay in completion of the Acquisition was unexpected and entirely out of the Company's control.

In considering the Disposal, the Board noted that there had been an appreciation in the value of the Property from approximately RMB1,112.5 million at the time of the Acquisition Agreement (as disclosed in the Acquisition Circular) to RMB1,135.2 million as at 11 May 2017. The Directors consider that the Consideration, which was determined by an updated indication of value of the Property, is fair and reasonable as referencing to fair market value is a generally accepted market practice for an arm's length transaction involving the sale and purchase of properties. In addition, the Consideration of HK\$610 million is higher than the

LETTER FROM THE BOARD

Group's original cost of acquisition of the Sale Shares of HK\$588 million, despite for accounting purpose the carrying value of the Group's investment in the Sale Shares was recorded at HK\$608.6 million reflecting the fair value of the Property as at completion of the Acquisition instead of the fair value of the Property at the time of the Acquisition Agreement. The Disposal would also generate substantial cash inflow and provides additional financial resources to the Group, which shall be used for the Group's existing business and new business opportunities as further elaborated in the section headed "Intended use of proceeds" below. As disclosed in the 2016 annual report and 2016 interim report of the Company, the Group recorded segment profits from the money lending business and the distribution and wholesale trading of jewellery and watches business of approximately HK\$27.7 million and HK\$24.8 million for the year ended 30 September 2016, and HK\$15.0 million and HK\$34.5 million for the six months ended 31 March 2017 respectively. The Board considers that the portion of the proceeds from the Disposal allocated to these existing businesses of the Group would support the enlargement of these businesses and enhance their profitability. In addition, as disclosed in the announcement of the Company dated 7 July 2017 in relation to the Proposed Acquisition, the Directors are of the view that the Proposed Acquisition represents an opportunity for the Group to tap into the fast growing electric vehicle industry to capture the prospective return on investment. On this basis, the Directors consider that the Disposal generates additional capital for the Group, which would otherwise not be available to the Group had the Acquisition not been completed, would create value and economic benefits to the development of the existing and potential new businesses of the Group. Taking these into account, the Board is of the view that the terms of the Agreement (including the Consideration) are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

As disclosed in the interim report of the Company for the six months ended 31 March 2017, the production schedule of the Chi Feng gold mine has been delayed due to extensive time spent on reviewing and negotiating the construction cost of the infrastructure of the mining facilities with the PRC mining institution, and revision of the production plan in compliance with the latest PRC safety regulations. It was further mentioned in the interim report that the Group will adjust the development pace as and when appropriate. While there has not been significant development on the rescheduling of the production plan of the Chi Feng gold mine since the interim report, the Directors will review and formulate the strategy of the Group in relation to its investment in the Chi Feng gold mine, taking into account the new business direction of the Group with the Proposed Acquisition. However, as the Proposed Acquisition is subject to a number of conditions, it may or may not proceed. The Directors do not have any plan on the Chi Feng gold mine yet except those disclosed in the interim report. Save for the possible adjustment to its strategy for the Chi Feng gold mine as described above and the Disposal, the Company had no intention or understanding to dispose of and/or downsize any of the Company's core businesses in the distribution of watches, wholesale of jewellery products, money lending, securities investments and property investment.

LETTER FROM THE BOARD

INTENDED USE OF PROCEEDS

The proceeds from the Disposal (net of directly attributable expenses) are estimated to amount to approximately HK\$609 million. The Company intends to apply such net proceeds from the Disposal as follows:

- (i) approximately HK\$200 million (representing approximately 32.8% of the net proceeds from the Disposal) will be allocated to develop the money lending business of the Group after Completion by expanding its loan portfolio, focusing on the provision of corporate loans. The Group will continue to exercise strict control over its loan and interest receivables and analyse the credit quality of each existing and potential customer based on the customer's background, financial position, credit history and other relevant factors. The pace of expansion of loan portfolio and the timing of utilisation of the aforesaid proceeds would be dependent on the demand for financing needs of the Group's existing and potential customers from time to time, the assessment of credit risk to the Group and general market and economic conditions;
- (ii) approximately HK\$50 million (representing approximately 8.2% of the net proceeds from the Disposal) will be allocated for the purchase of inventories for the watches and jewellery distribution and wholesale business during the six months after Completion;
- (iii) approximately HK\$12 million (representing approximately 2.0% of the net proceeds from the Disposal) will be allocated for the payment of part of the cash portion of the total consideration of the Proposed Acquisition at its completion;
- (iv) approximately HK\$300 million (representing approximately 49.3% of the net proceeds from the Disposal) will be allocated to the development of the Target for the period from completion of the Proposed Acquisition to 31 March 2019 as follows:
 - as to approximately HK\$176.9 million for the development works of electric passenger vehicles and electric commercial vehicle, including preparing feasibility study, designing the layout, finalising the concept design and producing the model prototype of the relevant electric vehicles;
 - as to approximately HK\$67.9 million for the research and development of various components, in particular the powertrain and common components for the development of electric passenger vehicles, including motor, power electronics, battery pack, heating, ventilation and air conditioning, thermal management, vehicle control unit, electronic stability programme, seats and chassis;
 - as to approximately HK\$33.1 million for the production, including but not limited to the design of the production process of electric passenger vehicles; and identifying semi knocked down logistics of electric commercial vehicles (including the delivering of all parts and components for final assembly in respective local markets);

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- as to approximately HK\$16.4 million for the recruitment of 24 to 36 additional engineers involved in research and development and production;
 - as to approximately HK\$5.7 million for marketing activities, including but not limited to participating in motor shows and events, in particular those prominent motor shows in Europe and China; and establishing a public relation team to be responsible for coordination of the abovementioned motor shows and other marketing activities; and
- (v) the remaining net proceeds of approximately HK\$47 million will be allocated for general working capital for the Group's existing businesses to be utilised during the period of 12 months after Completion and/or other suitable investment opportunities that may arise from time to time. As at the Latest Practicable Date, the Company had not identified any other business and investment opportunities or was not engaged in any negotiations regarding such opportunities.

FINANCIAL EFFECTS OF THE DISPOSAL

As the Acquisition was completed on 11 May 2017, the effects of the Acquisition have not been reflected in the unaudited consolidated financial statements of the Group for the six months ended 31 March 2017 as disclosed in the interim report of the Company dated 19 May 2017. Upon completion of the Acquisition, total assets of the Group increased by approximately HK\$1,300.3 million, total liabilities increased by approximately HK\$65,000, share capital and share premium increased by approximately HK\$608.6 million, and non-controlling interests increased by approximately HK\$691.7 million. Based on the unaudited consolidated financial statements of the Power Boom Group for the eleven months ended 31 May 2017, it is expected that the consolidated total assets, total liabilities and non-controlling interests of the Group would decrease by approximately HK\$691.3 million (representing the net effect of exclusion of the total assets of the Power Boom Group of approximately HK\$1,300.3 million and the receipt of the cash Consideration, net of expenses, of approximately HK\$609.0 million), approximately HK\$65,000 and approximately HK\$691.7 million respectively as a result of the Disposal.

It is expected that the Group would record a gain of approximately HK\$0.4 million as a result of the Disposal, being the difference between the Consideration (net of directly attributable expenses of approximately HK\$1.0 million) and the carrying value of the Company's investment in the Sale Shares of approximately HK\$608.6 million as at 31 May 2017. Save for the aforementioned expected gain on the Disposal, the Disposal is not expected to have any material effect on the earnings of the Group.

The above financial effects are for illustrative purpose only. The actual financial effects of the Disposal to the Company will be subject to the review and final audit by the auditors of the Company.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to, among other things, Shareholders' approval requirements.

The Purchaser represented in the Agreement that the Purchaser and Mr. Lam are Independent Third Parties. The Purchaser and Mr. Lam further provided a written confirmation dated 29 June 2017 to the Company to the same effect and confirmed that none of the Purchaser, Mr. Lam and their respective associates held any shares in the Company or in any members of the Group, whether directly or indirectly, as at the date of the Agreement. All the Directors also confirmed by written resolution dated 29 June 2017 that none of them had any interests in the Disposal which would otherwise prohibit them from approving the Disposal at the relevant Board meeting. Based on the above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder was considered to have a material interest in the Disposal as at the date of the Agreement and the Disposal did not confer upon a Shareholder or his/her/its close associate a benefit not available to the other Shareholders (i.e. no Shareholder has an interest in the Disposal which is different from other Shareholders). Accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the resolution(s) in respect of the Agreement and the transactions contemplated thereunder.

Prestige Rich, being the controlling Shareholder holding 2,633,622,316 Shares (representing approximately 59.70% of the issued Shares as at the date of the Agreement), has given its written approval for the Agreement and the transactions contemplated thereunder. Such written approval is accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules on the basis that (i) neither Prestige Rich, Mr. Zhang nor any of their respective associates (as defined in the Listing Rules) had dealt in any Shares at the material time of the Disposal; (ii) Mr. Zhang and Prestige Rich did not have a material interest in the Disposal as Mr. Zhang, Prestige Rich and its associates were not a party to the Agreement and the Disposal did not confer upon Mr. Zhang, Prestige Rich and its associates a benefit not available to the other Shareholders; and (iii) accordingly Prestige Rich and its associates (including Mr. Zhang) are not required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal.

ADDITIONAL INFORMATION

Your attention is drawn to the financial information of the Group, the valuation report on the Property and other general information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
O Luxe Holdings Limited
Zhang Jinbing
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information on the Group for each of the three financial years ended 30 September 2014, 2015 and 2016 and the six months ended 31 March 2017 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.oluxe.com.hk>):

- annual report of the Company for the year ended 30 September 2014 published on 29 January 2015 (pages 27 to 88);
- annual report of the Company for the year ended 30 September 2015 published on 28 January 2016 (pages 30 to 98);
- annual report of the Company for the year ended 30 September 2016 published on 26 January 2017 (pages 34 to 108); and
- interim report of the Company for the six months ended 31 March 2017 published on 22 June 2017 (pages 1 to 27).

2. INDEBTEDNESS STATEMENT

At the close of business on 30 June 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the indebtedness of the Group and the Target (which will become a wholly-owned subsidiary of the Company upon completion of the Proposed Acquisition) was as follows:

Bank borrowings

The Group had unguaranteed bank borrowings of approximately HK\$80,584,000, which were secured by the trade receivables of the Group with carrying amount of approximately HK\$20,966,000 as at 30 June 2017.

The Target had secured bank borrowing of approximately HK\$21,010,000 and unsecured bank borrowing of approximately HK\$14,007,000 as at 30 June 2017. The secured bank borrowing was secured by certain of the Target's land and building with a net carrying amount of approximately HK\$10,860,000 and HK\$24,776,000, respectively.

Contingent liabilities and commitment

The Group and the Target had no material contingent liabilities and commitment as at 30 June 2017.

Except as disclosed above and apart from intra-group liabilities, the Group and the Target did not have, as at 30 June 2017, any other debt securities issued and outstanding, and authorized or otherwise created but unissued, terms loans, other borrowings and indebtedness, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchases commitments, finance lease obligation, mortgages, charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into account (i) completion of the Disposal, the Proposed Acquisition and the proposed subscription of Shares by the subscribers pursuant to the subscription agreement dated 7 July 2017 (the “**Subscription**”, details of which are disclosed in the announcement of the Company dated 7 July 2017); (ii) the internal resources and the existing credit facilities available to the Enlarged Group; and (iii) the net proceeds from the Disposal and the Subscription, the Enlarged Group has sufficient working capital for its requirements for at least twelve months from the date of publication of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Disposal will generate substantial cash inflow to the Group and enhance its working capital position, enabling the Group to deploy resources on other opportunities which would better serve the long-term interests of the Group. Upon Completion, the Group will continue to be engaged in the businesses of distribution of watches, wholesale trading of jewellery products, money lending, securities investments and property investment.

Regarding the business of distribution of watches and jewellery products of the Group, the Director expect the market environment will remain challenging in light of the lackluster consumer appetite for luxury goods in the PRC, Hong Kong, Macau and Taiwan. The Group will continue to adopt stringent control measures and negotiate better terms of distribution with the brand owners to sustain the return for this segment.

Since the commencement of money lending and securities investment business in 2015, the loan portfolio and investment of the Group have been gradually built up and diversified the income stream of the Group. In view of the moderate economic growth in the PRC and Hong Kong and the launch of the Shenzhen-Hong Kong Stock Connect Scheme, the Group is optimistic about the prospects of the money lending and securities investment business and will employ appropriate strategies to capture development opportunities. The Company plans to develop the money lending business of the Group after Completion by expanding its loan portfolio, focusing on the provision of corporate loans in response to the respective business development opportunities and corresponding funding needs of corporate customers shaped by the economic climate in Hong Kong and the PRC. Such expansion shall be financed by the net proceeds from the Disposal.

On 12 October 2016, the Company completed the acquisition of the entire interest in Rich Cypress Limited, which indirectly holds interests in undeveloped parcels of land for industrial and tourism uses and developed villas and warehouses located in Shenyang, Liaoning, the PRC (details of which are disclosed in the announcements of the Company dated 29 September 2016 and 12 October 2016). The properties held by Rich Cypress Limited strengthened the asset base of the Group, provides capital appreciation potential to the Group and will continue to generate stable rental income to the Group.

As disclosed in the interim report of the Company for the six months ended 31 March 2017, the production schedule of the Chi Feng gold mine has been delayed due to extensive time spent on reviewing and negotiating the construction cost of the infrastructure of the mining facilities with the PRC mining institution, and revision of the production plan in compliance with the latest PRC safety regulations. It was further mentioned in the interim report that the Group will adjust the development pace as and when appropriate. While there has not been significant development on the rescheduling of the production plan of the Chi Feng gold mine since the interim report, the Directors will review and formulate the strategy of the Group in relation to its investment in the Chi Feng gold mine, taking into account the new business direction of the Group with the Proposed Acquisition. However, as the Proposed Acquisition is subject to a number of conditions, it may or may not proceed. The Directors do not have any plan on the Chi Feng gold mine yet except those disclosed in the interim report.

As disclosed in the announcement of the Company dated 7 July 2017, among other things, the Company announced the Proposed Acquisition in relation to the acquisition by the Company of the entire issued share capital and outstanding share options in the Target pursuant to the respective terms of the sale and purchase agreements dated 7 July 2017 and the share consolidation to be implemented by the Target. Upon completion of the Proposed Acquisition, the Target will become a wholly-owned subsidiary of the Company. The Target is principally engaged in the manufacturing and sale of electric vehicles (the “EV(s)”) and the provision of EV engineering solutions in Japan. In view of the global trend of development and usage of EV supported by the efforts of governments of various countries in enhancing environmental protection measures, the Directors believe that the worldwide demand for EV will continue to increase. Having considered the plan of the Target to manufacture and launch its electric passenger vehicle in 2019 and to develop another model of electric passenger vehicle and commercial vehicle, the prospects of the EV market and the potentials of the Target leveraging upon its technical capabilities, the Directors are of the view that the Proposed Acquisition represents an opportunity for the Group to tap into the fast growing EV industry to capture the prospective return on investment.

The following is the text of letter and valuation certificate prepared for the purpose of incorporation in this circular, received from Grant Sherman, in connection with the valuation of the Property as at 31 May 2017.



GRANT SHERMAN

Unit 1005, 10/F., AXA Centre,
151 Gloucester Road,
Wanchai,
Hong Kong

21 August 2017

The Directors
O Luxe Holdings Limited
Room 302, 3rd Floor
Lippo Sun Plaza
28 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong

Dear Sirs,

RE: Valuation of a construction site on the north-eastern side of Gangwan Road, at the junction between Zhongzhan Road East and Gongyuan West Road, Huangpu District, Guangzhou City, Guangdong Province, the People's Republic of China (the "Property")

In accordance with your instructions for us to value the property interest exhibited to us held by O Luxe Holdings Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter referred to as the "Group") in the People's Republic of China (hereinafter referred to as "the PRC"), we confirm that we have made relevant enquiries and obtained such further information as we consider necessary of providing you with our opinion of the market value of such property interest as at 31 May 2017 ("the Valuation Date") for inclusion in the Circular issued by the Company dated 21 August 2017.

Our valuation is our opinion of the market value of the property interest which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the date of valuation 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".

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

In undertaking our valuation for the property interests, we have relied on the legal opinions (the “PRC legal opinion”) provided by the Group’s PRC legal adviser, Guangdong Kings Law Firm.

In valuing the property interest of the Property, we have valued the property interest on the basis that the Property is a vacant site and will be developed and completed in accordance with the Project Company’s development proposal in respect of the Property (the “Development Proposal”), which is the Company’s latest development proposal provided to us. Since the approval for the Development Proposal has not been obtained on the Valuation Date, the construction work on the Property is prohibited to be carried out. According to the PRC legal opinion, subject to the Development Proposal conforming to the applicable PRC laws and regulations and the submission of all necessary documents, there are no foreseeable legal impediments to obtain approval for the Development Proposal. In arriving at our opinion of value, we have adopted the market approach by making reference to comparable sales evidences as available in the relevant market and have also taken into account the development costs that will be expended to complete the developments to reflect the quality of the completed development. The “gross development value” represents our opinion of the aggregate selling prices of the saleable units of the development erected on the properties assuming that it had been completed and all sold out to independent third parties at their highest selling prices obtained as at the date of valuation.

Our valuation has been made on the assumption that the owner sell the property interest on the open market in their existing states without the benefit of deferred terms contract, leaseback, joint venture, management agreements or any similar arrangement which would serve to increase the values of the property interest.

We have not caused searches to be made regarding the title to the Property. We have been provided with copies of certain extracts on title documents relating to the Property by the Group. However, we have not searched the original documents to verify ownership or to verify the existence of any amendments which do not appear on the copies handed to us.

We have relied on a considerable extent on information provided by you and have accepted advise given to us on such matters as planning approvals, statutory notices, easements, tenure, occupancy, lettings, site and floor areas, room and facilities schedule and in the identification of the Property. No on-site measurement has been taken. All dimensions, measurements and areas are approximations only.

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

In valuing the property interests, we have fully complied with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 of and Practice Note 12 to the Rule Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all values are denominated in Hong Kong Dollars (HK\$). The exchange rates used in valuing the property interests are rates as at 31 May 2017, which are was RMB1:HK\$1.1431. There has been no significant fluctuation in the exchange rate for these currencies against Hong Kong Dollars between that date and the date of this letter.

We enclose herewith the valuation certificate.

Respectfully submitted,
For and on behalf of
GRANT SHERMAN APPRAISAL LIMITED
Lawrence Chan Ka Wah
MRICS MHKIS RPS(GP) MCIREA MHIREA
Director
Real Estate Group

Note:

Mr. Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors in the General Practice Section and a member of China Institute of Real Estate Appraisers and Agents, who has over 14 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asian Rim.

VALUATION CERTIFICATE

Property interest held by the Group in the PRC for future development purpose

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2017
A construction site located at north-eastern side of Gangwan Road, at the junction between Zhongzhan Road East and Gongyuan West Road, Huangpu District, Guangzhou City, Guangdong Province, the PRC	<p>The Property comprises a construction site with a total site area of approximately 12,732 sq.m.</p> <p>As advised by the Company, the Property will be developed into a 40-storey composite development with a total estimated gross floor area of approximately 64,855 sq.m. (inclusive of a 2-level basement with a total gross floor area of approximately 11,660 sq.m. and exclusive of a refuge floor with a total gross floor area of approximately 400 sq.m.). Furthermore, the Property will be facilitated with about 320 car parking spaces. It is expected that the development of the Property will complete by 2019.</p> <p>The land use rights of the Property were granted for 70 years for residential use, 40 years for commercial, entertainment and tourism uses and 50 years for other uses commencing on 30 June 1992.</p>	The Property was a clear site as at the Valuation Date.	<p>No commercial value</p> <p>Interest attributable to the Group</p> <p>46.8%</p> <p>Market Value attributable to the Group as at 31 May 2017</p> <p>No commercial value</p>

Notes:

- Pursuant to a State Owned Land Use Certificate (Document No.: Sui Di Zheng Zi No.: Di 0119171), the land use rights of the Property with a site area of approximately 12,732 sq.m. were granted to Guangzhou Qiao Yi Property Development Company Limited (hereinafter referred to as the "Project Company") for 70 years for residential use, 40 years for commercial, entertainment and tourism uses and 50 years for other uses commencing on 30 June 1992.
- Pursuant to the Land Use Rights Grant Contract entered into between Guangzhou Urban-Rural Construction Committee (Party A) and Guangzhou City Huangpu District City Construction Development Company (Party B) dated 18 February 1992, the land use rights of the Property with a site area of approximately 12,732 sq.m. were granted from Party A to Party B for 70 years for residential use, 40 years for commercial, entertainment and tourism uses and 50 years for other uses commencing on the date of State Owned Land Use Right Certificate at a consideration of RMB4,400,000.
- Pursuant to a Sino-foreign Cooperative Joint Venture Agreement for the Project Company entered into between Guangzhou City Huangpu District City Construction Development Company (Party A) and Kam Lee Construction Company Limited (Party B) dated 28 March 1992, the land use right of the Property is transferred from Party A to the Project Company which is 22% owned by Party A and 78% owned by Party B.

4. According to information provided by the Company, on 16 May 2016, the Company, Golden Mega Holdings Limited (the “Vendor”) and Mr. Zhang (as guarantor to the Vendor) entered into a conditional sale and purchase agreement, pursuant to which the Company conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the 60% equity interests of Power Boom International Limited (“Power Boom”) at the consideration of HK\$588 million which shall be satisfied by the Company by way of allotment and issue of 1,960,000,000 consideration shares at the Issue Price of HK\$0.30 per consideration share to the Vendor at completion (the “Acquisition”). Power Boom will indirectly hold the 78% interests of the Project Company as at completion of the Acquisition. The completion of the Acquisition took place on 11 May 2017. As disclosed in the valuation report of the Property in the circular of the Company dated 11 July 2016, the market value of the Property in existing state as at 30 April 2016 was RMB1,112,500,000 (equivalent to approximately HK\$1,335,000,000) and the market value of the 46.8% interest in the Property (i.e. 60% attributable interest in Power Boom which will indirectly own 78% interest in the Property) attributable to the Group is RMB520,650,000 (equivalent to approximately HK\$624,780,000). Guangzhou Qiao Yi Property Development Company Limited is a company incorporated in the PRC with limited liability, in which the Company holds an indirect 46.8% effective interest after completion of the Acquisition.
5. Our Mr. Lawrence Chan Ka Wah (MRICS MHKIS RPS(GP) MCIREA MHIREA) has inspected the Property on 16 June 2017, the condition of the Property was reasonable.
6. The Property is situated at the junction between Zhongzhan Road East and Gongyuan West Road, buildings in the locality are medium to high-rise residential/commercial buildings. Guangzhou Metro Dashadi Station is about 10-minute walking distance from the property. Taxis and buses are accessible to the Property.
7. According to the Development Proposal, the proposed development (the “Proposed Development”) will comprise two 37-storey residential towers erected over a 3-storey commercial podium. The Proposed Development will be facilitated with 320 car parking spaces on a 2-level basement.

The total gross floor area of the Proposed Development is approximately 64,855 sq.m. The detailed breakdowns are as follows:

Floor Levels	No. of Storeys	Designed Use(s)	Approximate Total Gross Floor Area (sq.m.)
Levels B1 and B2	2	Carpark	11,660
Levels 1 to 3	4	Commercial and ancillary	5,095
Levels 4 to 40	37	Residential	48,100
Total			64,855

The two residential blocks will accommodate 584 flats in total. In addition, the Proposed Development will comprise one level of refuge floor with a total gross floor area of approximately 400 sq.m..

8. According to information provided by the Company, the estimated total construction cost and financing cost of the Property are HK\$224,800,000 and HK\$25,000,000 respectively. No cost has been incurred in the Property as at the Valuation Date.
9. In the course of our valuation, we have ascribed no commercial value to the Property as the Property is not freely transferable in the market. According to the PRC legal opinion, pursuant to the relevant PRC laws, the Property is freely transferable in the market if it is developed in accordance with the Land Use Rights Grant Contract and the amount of investment made in the Property reaches 25% of the total investment amount of the Property. Such required amount is determined with reference to the invoiced amount and budget for the development of the Property. Given that the development work of the Property has not commenced and the required investment amount has not been made, the Property is at present not freely transferable in the market.

However, for indicative purpose, the market value of the Property in existing state is RMB1,135,200,000 (equivalent to approximately HK\$1,300,000,000) by assuming that the aforesaid requirement for investment amount did not exist. The market value of the 46.8% interest in the Property (i.e. 60% attributable interest in Power Boom International Limited which indirectly own 78% interest in the Property) attributable to the Group is RMB531,300,000 (equivalent to approximately HK\$608,400,000) by assuming that the aforesaid requirement for investment amount did not exist.

10. In our valuation of the Property in existing state as at the Valuation Date, the following comparables as shown in the State Owned Land Resources Bureau of Guangzhou City are adopted:

Location	Site Area (sq.m.)	Consideration (RMB)	Uses	Plot Ratio	Transaction Dates	Accommodation* Value Unit Rate (RMB/sq.m.)
A site on the north of Changling Road and the Lingtou Village, Huangpu District (黃埔區長嶺路以北、嶺頭村以東)	41,631	1,222,410,000	Residential (Class II)	1.5	28 April 2017	19,575
Lot Nos. 1 and 2 Guantang Village, Panyu District (番禺區官堂村地塊一、地塊二)	21,714	1,870,130,000	Residential (Class II), Commercial Uses	3.83	25 April 2017	22,487
Lot No. AH051028 Shigang Road, Haizhu District (海珠區石崗路AH051028地塊)	20,211	2,036,990,000	Residential (Class II)	4	29 March 2017	25,197
Lot No. AF040218, Liwan District (荔灣區芳村大道南以西、鶴洞路以南AF040218地塊)	38,757	4,000,670,000	Residential (Class II)	4.8	13 January 2017	21,505
A site at Zhennan Caotang Village, Panyu District (番禺區南村鎮南草堂村地塊)	17,306	329,440,000	Residential (Class II), Commercial Uses	1.01	25 November 2016	18,848

* Accommodation value is calculated by dividing consideration by site area and plot ratio.

We have analysed the above transactions. Accommodation value of the comparable transactions are adjusted to reflect the difference between the comparable properties and the Property including, but not limited to, location, surrounding transport network, quantum, date of transaction and permitted uses to arrive at the appraised accommodation value for the Property. The market value of the Property in existing state as at the Valuation Date is derived from the appraised accommodation value multiplied by the site area and the permitted plot ratio of the Property.

11. For the valuation of the Property on a “completed” basis, we have collected and analysed the recent proposed transactions of comparable developed properties located in the vicinity of the Property. The average unit rates of furnished residential units and Level 1 shop units in the locality as at the Valuation Date are in the range of RMB25,000 per sq.m. to RMB60,000 per sq.m. and RMB25,000 per sq.m. to RMB42,000 per sq.m. respectively, while the average price of covered car parking spaces in the locality as at the Valuation Date is in the range of RMB250,000 to RMB350,000 each. Prices of the comparable properties were then adjusted to reflect the difference between the comparable properties and the Property including, among others, properties’ characteristics, location, surrounding transport network, size and date of transaction to arrive at the appraised unit rate for the Property on completed basis. The market value of the Property by assuming the Property has been completed as at the Valuation Date (the “Gross Development Value”) is then derived from the appraised unit rate and gross floor area of the Proposed Development.

12. For indicative purpose, the market value of the Property is RMB1,859,400,000 (equivalent to approximately HK\$2,125,500,000) by assuming the development of the Property has been completed as at the Valuation Date and in accordance with the Development Proposal provided by the Company as stated in note 7 and assuming the requirement for investment amount referred to in note 9 did not exist.
13. We have also assessed the market value of the Property in existing state by deducting the development cost that will be expended to complete the Proposed Development as referred to in the Development Proposal from the Gross Development Value for cross-checking purpose.
14. We have been provided with a legal opinion on the property prepared by the Group's PRC legal adviser, Guangdong Kings Law Firm, which contains, inter alia, the following information:

- (a) the Project Company is entitled to occupy and mortgage the Property. Pursuant to the relevant PRC laws, the Property is freely transferable in the market if it is developed in accordance with the Land Use Rights Grant Contract and the amount of investment made in the Property reaches 25% of the total investment amount of the Property. Such required amount is determined with reference to the invoiced amount and budget for the development of the Property. Given that the development work of the Property has not commenced and the required investment amount has not been made, the Property is at present not freely transferable in the market. However, the interest in the Property held by the Project Company can be transferred to third party/(ies) indirectly through transferral of the Project Company's shares;
- (b) according to the Development Proposal, the scale of the Property's basement of car parking spaces was planned after taking into account the requirements under Regulation 38 of Guangzhou City Urban and Rural Planning Technical Regulations;
- (c) the Property is free from any mortgages, charges and legal encumbrances which may cause adverse effects on the ownership of the Property; and

- (d) the following legal documents were obtained:

	Legal documents	Status	Issuing Dates	Issuing Authorities
(i)	State-owned Land Use Certificate	Yes	30 June 1992	Guangzhou City Real Estate Management Bureau (廣州市房地產管理局)
(ii)	Construction Land Planning Permit	No	Nil	Bureau of Urban Planning of Guangzhou (廣州市規劃局)
(iii)	Construction Work Planning Permit	Yes, but expired	22 April 1993	Bureau of Urban Planning of Guangzhou (廣州市規劃局)
(iv)	Construction Work Commencement Permit	Yes, but expired	11 April 2007	Guangzhou City Construction Committee (廣州市建設委員會)

and;

- (e) Construction Land Planning Permit, Construction Work Planning Permit and Construction Work Commencement Permit are required to be obtained before commencement of the construction on the Property.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(i) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

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

Long position in the shares and underlying shares

Name of Director	Capacity	Number of Shares held/ interested	Number of underlying Shares held in respect of the share options of the Company granted to each of them	Total interest	Approximate percentage of shareholding (%)
Mr. Zhang	Interest of a controlled corporation and beneficial owner	2,234,102,316 (Note)	1,968,000	2,236,070,316	50.59
Mr. Ho King Fung, Eric	Beneficial owner	—	20,000,000	20,000,000	0.45
Dr. Li Yifei	Beneficial owner	6,192,000	1,968,000	8,160,000	0.18
Mr. Wong Chi Ming, Jeffrey	Beneficial owner	480,000	1,968,000	2,448,000	0.06
Mr. Yu Fei, Philip	Beneficial owner	480,000	1,968,000	2,448,000	0.06
Mr. Xiao Gang	Beneficial owner	480,000	1,968,000	2,448,000	0.06
Mr. Tam Ping Kuen, Daniel	Beneficial owner	480,000	1,968,000	2,448,000	0.06
Mr. Zhu Zhengfu	Beneficial owner	480,000	1,968,000	2,448,000	0.06

Note: As at the Latest Practicable Date, 2,633,622,316 Shares were held by Prestige Rich, which is in turn wholly owned by Mr. Zhang. Together with his direct interest as beneficial owner of 480,000 Shares, Mr. Zhang was thus deemed to be interested in 2,634,102,316 Shares. Prestige

Rich entered into a conditional sale and purchase agreement dated 7 July 2017 with Ruby Charm Investment Limited in relation to the disposal of 400,000,000 Shares by Prestige Rich to Ruby Charm Investment Limited at HK\$0.82 per Share (the “**Proposed Share Disposal**”), upon completion of which Prestige Rich will cease to be interested in such 400,000,000 Shares (details of the Proposed Share Disposal were disclosed in the announcement of the Company dated 7 July 2017). As at the Latest Practicable Date, the Proposed Share Disposal has not been completed.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company, no other person had interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they had taken or were deemed to have taken under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(ii) Substantial Shareholders’ and other person’s interests and short positions in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, substantial Shareholders’ interests or short positions in the Shares and underlying Shares, which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, were as follows:

Long positions in the Shares and underlying Shares

Name of Shareholders	Capacity	Number of Shares held/ interested	Number of underlying Shares held in respect of share options of the Company granted to him	Total Interest	Approximate percentage of shareholding (%)
Mr. Zhang	Interest of a controlled corporation and beneficial owner	2,234,102,316 (Note 1)	1,968,000	2,236,070,316	50.59
Prestige Rich	Beneficial owner	2,233,622,316 (Note 1)	—	2,233,622,316	50.53
Ho King Man Justin	Interest of a controlled corporation	400,000,000 (Note 2)	—	400,000,000	9.05
Ruby Charm Investment Limited	Beneficial owner	400,000,000 (Note 2)	—	400,000,000	9.05
Alpha Key Investments Limited	Beneficial owner	300,000,000 (Note 3)	—	300,000,000	6.79
Hengdeli Holdings Limited	Interest of a controlled corporation	300,000,000 (Note 3)	—	300,000,000	6.79
TCL Corporation	Interest of a controlled corporation	285,365,853 (Note 4)	—	285,365,853	6.46

Notes:

1. As at the Latest Practicable Date, 2,633,622,316 Shares were held by Prestige Rich, which is in turn wholly owned by Mr. Zhang, who is also the sole director of Prestige Rich. Together with his direct interest as beneficial owner of 480,000 Shares, Mr. Zhang was thus deemed to be interested in 2,634,102,316 Shares. Prestige Rich entered into a sale and purchase agreement dated 7 July 2017 with Ruby Charm Investment Limited in relation to the Proposed Share Disposal, upon completion of which Prestige Rich will cease to be interested in such 400,000,000 Shares (details of the Proposed Share Disposal were disclosed in the announcement of the Company dated 7 July 2017). As at the Latest Practicable Date, the Proposed Share Disposal has not been completed.
2. Ruby Charm Investment Limited is wholly owned by Mr. Ho King Man Justin and is interested in 400,000,000 Shares pursuant to a sale and purchase agreement dated 7 July 2017 entered into between Prestige Rich and Ruby Charm Investment Limited in relation to the Proposed Share Disposal. As at the Latest Practicable Date, the Proposed Share Disposal has not been completed.
3. Alpha Key Investments Limited is wholly owned subsidiary of Hengdeli Holdings Limited.
4. TCL Corporation is deemed to be interested in 285,365,853 Shares subscribed by its wholly-owned subsidiary T.C.L. Industries Holdings (H.K.) Limited pursuant to a conditional subscription agreement dated 7 July 2017 entered into between the Company, Ocean Dynasty Investments Limited, Vivaldi International Limited and T.C.L. Industries Holdings (H.K.) Limited in relation to the proposed subscription by T.C.L. Industries Holdings (H.K.) Limited of 285,365,853 Shares (the “**TCL Subscription**”) (details of the TCL Subscription were disclosed in the announcement of the Company dated 7 July 2017). As at the Latest Practicable Date, the TCL Subscription has not been completed.

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

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND ARRANGEMENTS

Save for the Sale Shares acquired by the Company from Golden Mega (which is a company wholly and beneficially owned by Mr. Zhang) under the Acquisition Agreement, none of the Directors had any direct or indirect interests in any assets which had been, since 30 September 2016 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which has been entered into by the Company or any member of the Enlarged Group which is subsisting at the Latest Practicable Date and is significant in relation to the business of the Enlarged Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any member of the Enlarged Group which does not expire or is not determinable by such member of the Enlarged Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, as far as the Directors were aware of, none of the Directors and their respective close associates (as defined under the Listing Rules) was interested in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group.

6. MATERIAL CONTRACTS

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

The Group

- (a) the Acquisition Agreement entered into among Golden Mega as vendor, the Company as purchaser and Mr. Zhang as guarantor of Golden Mega in relation to the Acquisition at a consideration of HK\$588 million (details of which are set out in the announcements of the Company dated 25 May 2016, 27 July 2016, 19 December 2016, 31 March 2017 and 11 May 2017 and in the Acquisition Circular);
- (b) a sale and purchase agreement dated 29 September 2016 entered into among Marvel Bloom Limited (a wholly-owned subsidiary of the Company) as purchaser, Baohua Enterprises Limited (寶華企業有限公司) (“**Baohua Enterprises**”) as vendor and Mr. Huang Youzi (黃優資) as guarantor of Baohua Enterprises in relation to the acquisition of the entire issued share capital of Rich Cypress Limited at a consideration of RMB219,000,000 (details of which are set out in the announcements of the Company dated 29 September 2016 and 12 October 2016);
- (c) a memorandum of understanding dated 5 April 2017 entered into between the Company and the Target in relation to the possible acquisition by the Company of all the issued and outstanding shares and share options, if any, of the Target at a consideration to be negotiated and agreed by the parties (details of which are set out in the announcement of the Company dated 5 April 2017);
- (d) the sale and purchase agreements dated 7 July 2017 entered into among the Company, certain shareholders and optionholders of the Target being the sellers, Mr. Hiroyasu Koma being the sellers' representative and the Target in respect of the Proposed Acquisition by the Company of an aggregate of 30,771 shares, representing 85.5% of the issued share capital of the Target, and an aggregate of 5,990 outstanding options, representing 100% of the total outstanding options of the

Target, for a total consideration of JPY12,807,658,245 (equivalent to approximately HK\$896,976,000), which will be settled as to JPY7,855,450,135 (equivalent to approximately HK\$550,152,000) by the allotment and issue of 670,918,575 new Shares (the “**Consideration Shares**”) at the issue price of JPY11.7085 (equivalent to approximately HK\$0.82) per Consideration Share and as to JPY4,952,208,110 (equivalent to approximately HK\$346,825,000) in cash (detail of which are set out in the announcement of the Company dated 7 July 2017);

- (e) a conditional agreement dated 7 July 2017 entered into among the Company, Ocean Dynasty Investments Limited, Vivaldi International Limited and T.C.L. Industries Holdings (H.K.) Limited (collectively, the “**Subscribers**”) in relation to the subscription of a total of 570,731,706 Shares (the “**Subscription Shares**”) by the Subscribers at the subscription price of HK\$0.82 per Subscription Share (detail of which are set out in the announcement of the Company dated 7 July 2017);
- (f) the Agreement; and

The Target

- (g) an investment agreement dated 28 September 2015 and an amendment agreement dated 31 August 2016 entered into between the Target and Savage Rivale B.V. (“**SR**”), pursuant to which (i) SR agreed to issue and the Target agreed to purchase new shares; and (ii) SR agreed to grant to the Target an exclusive and irrevocable license to use certain intellectual property, for a total consideration of two million Euros.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Enlarged Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

8. EXPERT AND CONSENT

Set out below is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
Grant Sherman Appraisal Limited	Independent professional valuer

Grant Sherman has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and/or reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Grant Sherman did not have any direct or indirect interests in any assets which had been, since 30 September 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

As at the Latest Practicable Date, Grant Sherman was not interested in any securities in any members of the Enlarged Group or had any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group.

9. MISCELLANEOUS

- (a) The secretary of the Company is Mr. Lau Chun Pong, who is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (c) The head office and principal place of business of the Company is situated at Room 302, 3rd Floor, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (d) The principal share registrar and transfer office of the Company is Royal Bank of Canada Trust company (Cayman) Limited, 4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY1-1110, Cayman Islands.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (f) In the event of inconsistency, the English text of this circular shall prevail over their respective Chinese texts.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any day (except Saturdays, Sundays and public holidays) at the head office and principal place of business of the Company in Hong Kong from the date of this circular up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 30 September 2015 and 2016;
- (c) the interim report of the Company for the six months ended 31 March 2017;
- (d) the valuation report and valuation certificate on the Property from Grant Sherman, the text of which is set out in Appendix II to this circular;
- (e) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (f) the written consent from Grant Sherman referred to under the paragraph headed “Expert and consent” in this appendix;
- (g) the circular of the Company dated 8 December 2016 in relation to, among other things, the continuing connected transactions of the Company; and
- (h) this circular.