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

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瑞安建業有限公司*
SOCAM Development Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 983)

MAJOR TRANSACTION

**DISPOSAL OF ENTIRE SHARE INTEREST IN
PROFIT POINT DEVELOPMENT LIMITED**

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

A letter from the Board is set out on pages 5 to 11 of this circular.

The Disposal has been approved by written approval of Shareholders which form a closely allied group of Shareholders and together hold more than 50% of the issued share capital of the Company. Accordingly, no general meeting of Shareholders will be convened to approve the Disposal pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to all Shareholders for information only.

* For identification purpose only

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DEFINITIONS

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

“Adjusted Purchase Price”	has the meaning ascribed to it under the section headed “THE SALE AND PURCHASE AGREEMENT — <i>Consideration and Payment Terms</i> ” in the letter from the Board;
“Audited Completion Accounts”	the audited management accounts of the Target Company for the period from 1 January 2019 up to the date of Completion to be prepared in accordance with the terms of the Sale and Purchase Agreement for the purpose of determining the Post Completion Adjustment to be made to the Adjusted Purchase Price;
“Bank”	a licensed bank established under the laws of Hong Kong;
“Board”	the board of Directors;
“close associates”, “connected person(s)”, and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules;
“Company”	SOCAM Development Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 983);
“Completion”	completion of the Disposal in accordance with the terms of the Sale and Purchase Agreement;
“Completion Management Accounts”	the pro forma balance sheet of the Target Company as at the date of Completion and the unaudited profit and loss account of the Target Company for the period from 1 January 2019 up to the date of Completion to be prepared in accordance with the terms of the Sale and Purchase Agreement for the purpose of calculating the Adjusted Purchase Price;
“Conditions”	conditions of the Sale and Purchase Agreement;
“Consideration”	the consideration payable to the Vendor by the Purchaser for the Disposal;
“Deposits”	has the meaning ascribed to it under the section headed “THE SALE AND PURCHASE AGREEMENT — <i>Consideration and Payment Terms</i> ” in the letter from the Board;

DEFINITIONS

“Directors”	directors of the Company;
“Disposal”	the disposal of the Sale Share and the assignment of the Sale Loan pursuant to the Sale and Purchase Agreement;
“€”	EURO, the lawful currency of the Eurozone;
“Group”	collectively, the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	12 August 2019, being the latest practicable date for ascertaining certain information referred to in this circular prior to its printing;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the People’s Republic of China;
“Net Current Asset Value”	the net current asset value of the Target Company as at Completion (excluding the value of the Property, the intangible assets of the Target Company, the Sale Loan and the Outstanding Bank Loan) as more particularly set out in the Sale and Purchase Agreement;
“Outstanding Bank Loan”	the amount owed by the Target Company to the Bank as at the date of Completion under a loan facility granted by the Bank pursuant to a facility letter dated 6 May 2019, the outstanding amount of which as at the Latest Practicable Date was approximately HK\$117.4 million;
“Post Completion Adjustment”	has the meaning ascribed to it under the section headed “THE SALE AND PURCHASE AGREEMENT — <i>Consideration and Payment Terms</i> ” in the letter from the Board;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macau and Taiwan);
“Property”	a commercial building situated at No. 93 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong;

DEFINITIONS

“Purchaser”	Millennium Fortune Investment Corporation, a company incorporated in the British Virgin Islands with limited liability;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 19 July 2019 entered into among the Purchaser, the Vendor and the Company in relation to the Disposal;
“Sale Loan”	all amounts owed by the Target Company to the Vendor as at the date of Completion, which shall be assigned to the Purchaser pursuant to the Sale and Purchase Agreement at Completion, the aggregate sum of which as at the Latest Practicable Date was approximately HK\$132.7 million;
“Sale Share”	one ordinary share of US\$1.00 of the Target Company, representing the entire issued share capital of the Target Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shares”	ordinary shares in the capital of the Company;
“Shareholders”	holders of the Shares;
“SOCL”	Shui On Company Limited, a company incorporated in the British Virgin Islands with limited liability;
“SOFCL”	Shui On Finance Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SOCL;
“SOL”	Shui On Land Limited, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 272);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Profit Point Development Limited, a company incorporated in the British Virgin Islands with limited liability and a registered non-Hong Kong company in Hong Kong;

DEFINITIONS

“US\$”	United States dollars, the lawful currency of the United States of America;
“Vendor”	Talent Reach Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

LETTER FROM THE BOARD



瑞安建業有限公司*
SOCAM Development Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 983)

Executive Directors:

Mr. Lo Hong Sui, Vincent
Mr. Wong Yuet Leung, Frankie

Non-executive Director:

Ms. Lo Bo Yue, Stephanie

Independent non-executive Directors:

Ms. Li Hoi Lun, Helen
Mr. Chan Kay Cheung
Mr. William Timothy Addison

Registered Office:

Clarendon House
2 Church Street
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Bermuda

*Head Office and Principal Place
of Business in Hong Kong:*

34th Floor
Shui On Centre
6-8 Harbour Road
Hong Kong

15 August 2019

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF ENTIRE SHARE INTEREST IN PROFIT POINT DEVELOPMENT LIMITED

INTRODUCTION

On 19 July 2019, the Board announced that the Company and the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser in respect of the Disposal.

The purpose of this circular is to provide you with (i) further details of the Sale and Purchase Agreement and the Disposal; and (ii) other information required under the Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD

THE SALE AND PURCHASE AGREEMENT

Date

19 July 2019

Parties

- (1) Vendor: Talent Reach Group Limited
- (2) Purchaser: Millennium Fortune Investment Corporation
- (3) Guarantor of the Vendor: The Company

The Vendor is an indirect wholly-owned subsidiary of the Company and its principal activity is investment holding.

As far as the Company is aware after having made all reasonable enquiries, the Purchaser is a company incorporated in the British Virgin Islands with limited liability and its principal activity is investment holding.

Since the Purchaser is a company incorporated in the British Virgin Islands, its shareholding information is not subject to public filing requirements, and as such not within the public domain. However, the Purchaser did not provide the relevant shareholding information. Further, the Company has endeavoured to seek further information on the Purchaser in relation to its shareholding but the same was not available. Accordingly, the Company is not aware of the identity(ies) of the ultimate beneficial owner(s) of the Purchaser.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries and sought the relevant confirmation from the Purchaser, the Purchaser and its ultimate beneficial owner(s) are independent of the Company and its connected persons.

Subject Matter

Pursuant to the Sale and Purchase Agreement, (i) the Vendor has agreed to sell and the Purchaser has agreed to acquire the Sale Share, representing the entire issued share capital of the Target Company; and (ii) the Vendor has agreed to assign and the Purchaser has agreed to assume the Sale Loan.

Consideration and Payment Terms

The initial Consideration is approximately HK\$386.69 million, and shall be adjusted as follows (the “**Adjusted Purchase Price**”):

- (1) upward by an amount where the Net Current Asset Value as set out in the Completion Management Accounts is more than zero; or
- (2) downward by an amount where the Net Current Asset Value as set out in the Completion Management Accounts is less than zero.

LETTER FROM THE BOARD

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor. The initial Consideration of approximately HK\$386.69 million represents the agreed value of the Property on a free of encumbrance basis only, while the value of other net current assets of the Target Company to be taken up by the Purchaser shall be determined as set out above.

The Adjusted Purchase Price shall be subject to further adjustment (the "**Post Completion Adjustment**"), if any, for the difference between the Net Current Asset Value as shown in the Completion Management Accounts and that based on the Audited Completion Accounts. Such Post Completion Adjustment shall be determined following the delivery of the Audited Completion Accounts by the Vendor within 30 days from the date of Completion and the adjustment sum, if any, shall be paid by the Purchaser to the Vendor or refunded by the Vendor to the Purchaser (as the case may be) within 5 days thereafter.

To the best estimation of the Company, the upward adjustments, if any, to the Consideration will not exceed an aggregate amount of HK\$1 million. As such, it is contemplated that such adjustments will not result in a change in the classification of the Disposal under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, the Vendor has received a total sum of approximately HK\$77.33 million as deposits (the "**Deposits**") from the Purchaser. Pursuant to the terms of the Sale and Purchase Agreement, the remaining balance of the Adjusted Purchase Price shall be paid to the Vendor (or at its direction) at Completion. It is expected that the Vendor will direct part of such balance to be paid to the Bank directly for repayment of the Outstanding Bank Loan in order to discharge the mortgage of the Property at Completion. This arrangement reflects the parties' intention that the Property is sold on a free of encumbrance basis and that the Purchaser would not assume the Outstanding Bank Loan.

Conditions and Completion

Completion shall take place on or before 21 October 2019, being the date of Completion, upon satisfaction or (as applicable) waiver by the Purchaser of the following Conditions:

- (a) the Vendor has shown to the Purchaser that the Target Company has a good title to the Property and has proved the Target Company's good title to the Property in accordance with Section 13 and Section 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) at the Vendor's own costs and expenses; and
- (b) all fundamental warranties (as defined in the Sale and Purchase Agreement) given by the Vendor remaining true and accurate in all material respects and not misleading as at the date of Completion.

If any of the Conditions has not been fulfilled (or waived by the Purchaser) on or before the date of Completion, the Vendor shall forthwith return all the Deposits and any other monies received (if any) in full to the Purchaser without interest and the Sale and Purchase Agreement shall lapse.

As far as the Company was aware, as at the Latest Practicable Date, no circumstance existed that would render any of the Conditions unsatisfied at the date of Completion.

Following Completion, the Vendor will no longer have any share interest in the Target Company, and the Target Company will cease to be a subsidiary of the Company accordingly.

LETTER FROM THE BOARD

Guarantee

Pursuant to the Sale and Purchase Agreement, the Company agreed to guarantee as primary obligor to the Purchaser the performance of the Vendor's obligations and to pay, on demand, any sum which the Vendor fails to pay to the Purchaser in accordance with the terms of the Sale and Purchase Agreement. The guarantee shall be effective upon signing of the Sale and Purchase Agreement until all the Vendor's obligations thereunder have been fulfilled.

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in the British Virgin Islands with limited liability. At the date of this circular, the Target Company is legally and beneficially owned by the Vendor.

The principal asset of the Target Company is the Property, which is a commercial building situated at No. 93 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong with a total gross floor area of approximately 27,800 square feet. Currently, certain units of the Property are leased to commercial tenants by the Target Company for rental income. As at 30 June 2019, the occupancy rate of the Property was approximately 25% and the average monthly rental income of the Target Company was approximately HK\$0.2 million. Further details about the Property are set out in the property valuation report contained in Appendix II to this circular.

Set out below is a summary of certain audited financial information of the Target Company for the two years ended 31 March 2017 and 31 March 2018 and for the period from 1 April 2018 to 31 December 2018:

	For the period from 1 April 2018 to 31 December 2018^{Note} HK\$ million	For the year ended 31 March 2018 HK\$ million	For the year ended 31 March 2017 HK\$ million
Net (loss) profit (before taxation and extraordinary items)	(20.5)	135.7	(0.3)
Net (loss) profit (after taxation and extraordinary items)	(20.1)	136.0	(0.3)

Note: The Target Company has changed its financial year end date from 31 March to 31 December. Therefore, the results for the nine-month period ended 31 December 2018 are presented.

LETTER FROM THE BOARD

At 31 December 2018, the audited net asset value of the Target Company was approximately HK\$115.3 million, and the carrying value of the Property was HK\$360 million.

As disclosed in the circular of the Company dated 28 December 2018, the Group acquired the entire share interest in the Target Company and all debts (including interests) owed by the Target Company to the previous vendor at an adjusted consideration of approximately HK\$182.1 million, being the agreed property price of HK\$303.5 million less the outstanding bank loan of the Target Company of approximately HK\$121.4 million assumed by the Group upon acquisition.

Pursuant to the prevailing accounting standards, the carrying amount of the Property was revalued to HK\$360 million at 31 December 2018 with reference to the appraised value assessed by an independent property valuer. Accordingly, a fair value gain of approximately HK\$54 million, being the difference between (i) the Property's appraised value at 31 December 2018; and (ii) the aggregate of the initial cost of acquiring the Property and the transaction costs for the acquisition, was credited as income in the Group's audited consolidated financial statements for the year ended 31 December 2018.

FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS

Effects on the Group's results and financial position

It is expected that upon Completion, the Group will record a gain of approximately HK\$18.2 million on the Disposal, being the difference between (i) the Consideration; and (ii) the aggregate of the net asset value of the Target Company, the amounts of the Sale Loan and the Outstanding Bank Loan, and the estimated costs and expenses in relation to the Disposal. Except the estimated gain as mentioned above, the effect of the Disposal on the Group's results would be immaterial and the Disposal would not have any significant impact on the overall financial position of the Group.

Effect on the Group's cash flow and use of proceeds

The Company intends to use the net proceeds of approximately HK\$264 million from the Disposal (representing the sum to be received after repayment of the Outstanding Bank Loan and deducting the estimated costs and expenses in relation to the Disposal) as general working capital, including meeting its financial obligations arising from the existing operations of the Group.

Taking into account the net proceeds to be received of approximately HK\$264 million, the cost of acquiring the Target Company of approximately HK\$182.1 million, the estimated costs and expenses incurred on the Target Company and the amount of repaid bank loan from acquisition to the date of Completion totalling approximately HK\$15.7 million, the Disposal generates an internal rate of return of approximately 43%.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group principally engages in property development and investment, and asset management in the PRC, property investment and management in Hong Kong, and construction in Hong Kong and Macau.

As disclosed in Appendix II to this circular, the market value of the Property as at 30 June 2019 as assessed by Jones Lang LaSalle Limited, an independent well-known professional valuer, was HK\$385 million. The Board considers that the initial Consideration of approximately HK\$386.69 million is comparable to the market value of the Property.

As disclosed in the circular of the Company dated 28 December 2018, the Company would assess the market conditions and formulate suitable strategies from time to time for enhancing the return from the investment in the Property. Having considered the reasonable return generated within a short time span and the net cash inflow of approximately HK\$264 million as mentioned above, as well as the increased tension between Mainland China and the United States of America which may affect the local property market conditions, the Board believes that the Disposal represents a good opportunity for the Group to realise the investment which is in the interest of the Company to capture. The Board is not aware of any material adverse impact of the Disposal.

In light of the above, the Board is of the view that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company, which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal.

SOCL and its wholly-owned subsidiary, namely SOFCL, which together constitute a closely allied group of Shareholders, held 232,148,000 Shares and 2,233,000 Shares respectively, representing an aggregate of approximately 60.97% of the issued share capital of the Company, as at the Latest Practicable Date. The Company has obtained the written approval of these Shareholders for the Disposal pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of Shareholders will be convened by the Company for considering the Disposal.

Completion is subject to the Conditions having been satisfied or (where applicable) waived by the Purchaser. As such, the Disposal may or may not materialise. Securities holders and potential investors should therefore exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

Yours faithfully,
By order of the Board
SOCAM Development Limited
Wong Yuet Leung, Frankie
*Executive Director, Chief Executive Officer and
Chief Financial Officer*

1. INDEBTEDNESS

As at the close of business on 30 June 2019, being the latest practicable date for ascertaining the indebtedness of the Group for the purpose of this indebtedness statement, the Group had the following indebtedness:

Borrowings

	<i>HK\$ million</i>
Senior notes	1,407
Bank borrowings	1,962
Advance from joint ventures and related companies	441
	<u>3,810</u>
Secured	1,243
Unsecured	2,567
	<u>3,810</u>

Mortgages and charges

At 30 June 2019, the Group's secured borrowings were secured by certain of the Group's bank deposits, investment properties, and properties under development for sale, benefits accrued to the relevant investment properties, equity interests in certain subsidiaries and guaranteed by the Company.

Contingent liabilities

At 30 June 2019, the Group had the following material contingent liabilities:

Guarantee issued in favour of a third party for a loan granted to a former wholly-owned subsidiary (the "**Former Subsidiary**") with an outstanding amount of RMB542 million (equivalent to approximately HK\$616 million) and the related interest amounting to RMB514 million (equivalent to approximately HK\$584 million). Both of the parent company of the acquirer and the acquirer of the Former Subsidiary have agreed to procure the repayment of the loan and this obligation is guaranteed by the parent company of such acquirer.

Other Liabilities

Save as disclosed above and apart from intra-group liabilities and normal trade payables, at the close of business on 30 June 2019, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances, debentures, mortgages, charges, finance lease commitments, guarantees or other material contingent liabilities. The Directors confirmed that there had been no material change in terms of the Group's contingent liabilities and indebtedness during the period from 30 June 2019 to the Latest Practicable Date.

2. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including internally generated funds and available credit facilities without unexpected withdrawal of certain revolving banking facilities, and the effect of the Disposal, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, which is for at least 12 months following the date of this circular.

3. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position or outlook of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Over the past several years, the Group has achieved considerable progress in the execution of its monetisation strategy. In 2017, the Company successfully issued the three-year US\$ denominated notes and raised longer-term funds in an aggregate amount of US\$280 million. In addition, the Group divested its 22% shareholding in the Dalian Tiandi project in December 2017, generating over RMB1.3 billion cash proceeds. The progressive realisation of the Group's property assets, including the SOHO units in Chengdu and villas in Nanjing over the past few years have also generated substantial cash flows to the Group. Consequently, the Group has significantly reduced its total bank borrowings from HK\$8.2 billion at the end of 2013 to HK\$1.8 billion as at 31 December 2018 and has strengthened its working capital.

In view of the improved financial position, the Company bought back 100 million of its own shares in 2018 and US\$98.4 million of the US\$ notes since the last quarter of 2018. These exercises were to reduce the finance costs of the Group and to improve shareholders' value in terms of net asset value per share.

The Group has made positive progress in revitalising the property portfolio. In addition to the Property, the Group owns six property projects commanding good locations in major cities in the PRC and featuring primarily a niche retail portfolio in Shenyang, Chengdu, Tianjin and Chongqing. The Group is making satisfactory progress on the asset enhancement programmes of these shopping malls, with the goal of raising occupancy rates, rental yields and values.

The construction business has been a core business of the Company since it was formed in 1997, and its subsidiaries are major contractors engaged in the housing projects and building works in the public sector of Hong Kong. The Government of the Hong Kong Special Administrative Region is determined to resolve the shortage of affordable housing units as its top priority. The Group's construction division, with its core strengths, sees ample business opportunities in the public construction sector in Hong Kong, and is maintaining a relatively stable order book. It is also well set to capture opportunities in community health and leisure facilities, as well as related construction activities such as fit-out, renovation and maintenance contracts.

The Group acquired the Property in December 2018. The Disposal represents a valuable opportunity for the Group to realise this investment at a considerable return within a relatively short time span. The net cash to be generated through the Disposal will also provide additional resources for the Group to act on opportunities in its core business areas as they arise.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Limited, an independent valuer, in connection with its valuation as at 30 June 2019 of the Property.



仲量聯行

仲量聯行有限公司

物業估價部

香港鰂魚涌英皇道979號太古坊一座7樓

公司牌照號碼：C-003464

Jones Lang LaSalle Limited

Valuation Advisory Services

7/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

Company Licence No. C-003464

15 August 2019

The Directors

SOCAM Development Limited

34/F, Shui On Centre

6-8 Harbour Road

Hong Kong

Dear Sirs

RE: PROPERTY VALUATION OF NO. 93 WAI YIP STREET, KWUN TONG, KOWLOON, HONG KONG

1.0 INTRODUCTION

1.1 Instruction

We refer to the instruction from **SOCAM Development Limited** (the “**Company**”) for us to prepare a market valuation of a commercial building located at No. 93 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (the “**Property**”), as at 30 June 2019 (the “**date of valuation**”) for the purpose of inclusion in a circular to be issued by the Company for the disposal of the entire issued share capital of Profit Point Development Limited which holds the Property.

The Property was held for investment as at the date of valuation.

We confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing an opinion of market value of the unencumbered leasehold property interest of the Property, subject to existing tenancies as at the date of valuation.

1.2 Basis of Valuation

Our valuation has been prepared in accordance with “HKIS Valuation Standards 2017” published by The Hong Kong Institute of Surveyors (HKIS), “International Valuation Standards 2017” published by the International Valuation Standards Council (IVSC) and “RICS Valuation — Global Standards 2017” published by the Royal Institution of Chartered Surveyors (RICS) subject to variation to meet local established law. Unless otherwise stated, our valuation is undertaken as External Valuers as defined in the relevant Valuation Standards. Compliance with the RICS standards may be subject to monitoring under the RICS’ conduct and disciplinary regulations.

Our valuation has also been prepared in accordance with relevant provisions in the Company Ordinance and it has complied with Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Our valuation is made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out as follows:

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The valuation presented in this report represents the 100% interest of the Property and not the shareholdings of the company holding the property interest thereof.

1.3 Valuation Assumptions

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the value of the Property.

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

1.4 Valuation Methodology

We have adopted the Income Capitalization Method in the course of valuation and cross-checked the result by the Direct Comparison Method.

The Income Capitalization Method is based on the capitalization of the current rental income and potential reversionary income of the Property from the date of valuation at appropriate investment yield to arrive at the capital value. The estimated market rents of the Property and capitalization rate have been obtained through our analysis of the achievable rents of the Property and similar type of properties in the vicinity and analysis of investment sales transactions respectively.

The Direct Comparison Method is a method of valuation based on comparing the Property directly with other comparable properties which recently transacted. Comparable premises are generally located in the surrounding areas or in other sub-markets which are comparable to the Property. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price/ rent likely to be achieved by the property under consideration.

1.5 Source of Information

We have relied to a very considerable extent on the information provided by the Company including the tenancy schedule of the Property as at 30 June 2019. We have also relied upon the information available from the Land Registry and the Buildings Department, and have accepted advice given to us on matters such as statutory notices, planning approvals, easements, tenure and particulars of occupancy. We have assumed that all information provided to us is correct.

We have not been instructed to independently verify the information provided to us. Our valuation is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should it be established subsequently that the details relating to the Property are incorrect or inadequate, we reserve the right to adjust the value reported herein.

We have not carried out on site measurements of the Property at the time of inspection to verify the correctness of the floor areas. The dimensions, measurements and areas included in the report are based on information contained in copies of documents provided to us and are therefore only approximations for reference purposes.

1.6 Measurements

All measurements are carried out in accordance with the “Code of Measuring Practice” booklet published by the HKIS. To suit the local practice, we declare our departure from the “RICS property measurement” published by RICS which became effective in May 2018. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the registered floor plans.

1.7 Title Investigation

We have not been provided with copies of the title documents relating to the Property interest but we have conducted searches at the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. All documents and leases have been used for reference only.

1.8 Property Inspection

We inspected the exterior and, where possible, common areas of the Property and the general locale on 23 July 2019 by our Alkan Au, Senior Director and Tiffany Luk, Manager, both of whom are members of The Hong Kong Institute of Surveyors. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts. No tests have been carried out to any of the services.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the Property, or has since been incorporated, and we are therefore unable to report that the Property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

1.9 Plant and Machinery

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

1.10 Report

Our valuation certificate is attached hereto.

Yours faithfully

For and on behalf of

Jones Lang LaSalle Limited

Au Kin Keung, Alkan

BA (Hons), MHKIS, MRICS, RPS (GP), MCIREA

Senior Director

Licence No.: E-181955

Note: Mr. Au Kin Keung, Alkan, BA (Hons), MHKIS, MRICS, RPS (GP), MCIREA, is a qualified general practice surveyor and has about 25 years of experience in valuation of properties in Hong Kong.

2.0 VALUATION CERTIFICATE

Property	Description, age and tenure	Particulars of occupancy	Market value as at 30 June 2019
No. 93 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong (the “ Property ”) The Remaining Portion of Kwun Tong Inland Lot No. 680	<p>The Property comprises a 23-storey commercial building completed in 2016.</p> <p>The site area of Kwun Tong Inland Lot No. 680 (“KTIL680”) is approximately 2,100ft² (195.09m²), including Sections A and B of KTIL680 with total site area of 521ft² (48.4m²) that were surrendered to the Government.</p> <p>The total gross floor area and total saleable area of the Property are approximately 27,727ft² (2,575.91m²) and 17,544ft² (1,629.88m²) respectively.</p> <p>The Property is held under Conditions of Sale No. UB9629 for a term of 99 years commencing on 1 July 1898 and has been extended to 30 June 2047 subject to a payment of an annual Government Rent of 3% of the rateable value of the time being of the Property.</p>	<p>As advised by the Company, the Property was approximately 25% leased subject to various tenancies at a total monthly rent of HK\$188,470 as at the date of valuation with the latest lease expiry on 17 July 2020.</p> <p>Approximately 75% of the Property was vacant as at the date of valuation.</p>	<p>HK\$385,000,000 (Hong Kong Dollars Three Hundred and Eighty Five Million)</p>

Notes:

- (1) As per our Land Registry search record dated 23 July 2019 (“**Land Search Record**”), the registered owner of the Property is Profit Point Development Limited.
- (2) The following encumbrances have been registered against the Property as per the Land Search Record:
 - i. Modification Letter with plan from the Government of the Hong Kong Special Administrative Region by the Chief Estate Surveyor/Headquarters Re KTIL 680 vide Memorial No. 15062501150010 dated 24 June 2015.
 - ii. Certificate of Compliance from the Director of Lands Department vide Memorial No. 17080402300069 dated 1 August 2017.
 - iii. Occupation Permit No. KN46/2016 (OP) vide Memorial No. 17100902160073 dated 1 November 2016.
 - iv. Mortgage in favour of Nanyang Commercial Bank, Limited for all moneys vide Memorial No. 17102701320041 dated 18 October 2017.
 - v. Assignment of Rentals in favour of Nanyang Commercial Bank, Limited vide Memorial No. 17103001530016 dated 18 October 2017.
- (3) The Property is zoned under the Approved Kwun Tong (South) Outline Zoning Plan No. S/K14S/22 dated 30 October 2018 for “Other Specified Uses (Business)”.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

At the Latest Practicable Date, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO) or the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) or which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

(a) Long positions in the shares of the Company

Name of Director	Number of Shares			Total	Approximate % of issued Shares (Note 1)
	Personal interests	Family interests	Other interests		
Mr. Lo Hong Sui, Vincent (“ Mr. Lo ”)	–	312,000 (Note 2)	234,381,000 (Note 3)	234,693,000	61.05
Ms. Lo Bo Yue, Stephanie (“ Ms. Lo ”)	–	–	234,381,000 (Note 3)	234,381,000	60.97
Mr. Wong Yuet Leung, Frankie (“ Mr. Wong ”)	3,928,000	–	–	3,928,000	1.02

Notes:

- Based on 384,410,164 Shares in issue at the Latest Practicable Date.
- These Shares were beneficially owned by Ms. Loletta Chu (“**Mrs. Lo**”), the spouse of Mr. Lo. Under the SFO, Mr. Lo was deemed to be interested in such Shares and both Mr. Lo and Mrs. Lo were also deemed to be interested in 234,381,000 Shares mentioned in Note 3 below.
- These Shares comprised 232,148,000 Shares beneficially owned by SOCL and 2,233,000 Shares held by SOFCL, an indirect wholly-owned subsidiary of SOCL. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich Holdings (PTC) Inc. (“**Bosrich**”). The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo was the founder and both Mr. Lo and Ms. Lo were discretionary beneficiaries and HSBC International Trustee Limited (“**HSBC Trustee**”) was the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, HSBC Trustee and Bosrich were deemed to be interested in such Shares under the SFO.

(b) Long positions in the shares and underlying shares of the associated corporation of the Company

Name of Director	Name of associated corporation	Number of shares/underlying shares			Total	Approximate % of issued shares (Note 1)
		Personal interests	Family interests	Other interests		
Mr. Lo	SOL	–	1,849,521 (Note 2)	4,611,835,751 (Note 3)	4,613,685,272	57.22
Ms. Lo	SOL	437,000 (Note 4)	–	4,611,835,751 (Note 3)	4,612,272,751	57.20

Notes:

- Based on 8,062,216,324 shares of SOL in issue at the Latest Practicable Date.
- These shares were beneficially owned by Mrs. Lo, the spouse of Mr. Lo. Under the SFO, Mr. Lo was deemed to be interested in such shares and both Mr. Lo and Mrs. Lo were also deemed to be interested in 4,611,835,751 shares mentioned in Note 3 below.
- These shares were held by SOCL through its controlled corporations, comprising 2,672,990,325 shares, 1,725,493,996 shares, 183,503,493 shares and 29,847,937 shares held by Shui On Investment Company Limited (“SOI”), Shui On Properties Limited (“SOP”), Chester International Cayman Limited (“Chester International”) and New Rainbow Investments Limited (“NRI”) respectively, whereas SOI, SOP and Chester International were all wholly-owned subsidiaries of SOCL. NRI was a wholly-owned subsidiary of the Company which in turn was held by SOCL and its wholly-owned subsidiary, SOFCL, as to 60.97%. SOCL was held under the Bosrich Unit Trust, the trustee of which was Bosrich. The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo was the founder and both Mr. Lo and Ms. Lo were discretionary beneficiaries and HSBC Trustee was the trustee. Accordingly, Mr. Lo, Mrs. Lo, Ms. Lo, HSBC Trustee and Bosrich were deemed to be interested in such shares under the SFO.
- These represent the interests in the underlying shares of SOL under the outstanding share options granted by SOL.

(c) Interests in the debentures of the associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interests	Amount of debentures
Mr. Lo	Shui On Development (Holding) Limited	Trust interests (<i>Note 1</i>)	RMB50,000,000
		Trust interests (<i>Note 1</i>)	US\$6,000,000
		Trust interests (<i>Note 1</i>)	US\$4,000,000
		Family interests (<i>Note 2</i>)	RMB35,500,000
		Family interests (<i>Note 2</i>)	US\$2,000,000
Ms. Lo	Shui On Development (Holding) Limited	Trust interests (<i>Note 1</i>)	RMB50,000,000
		Trust interests (<i>Note 1</i>)	US\$6,000,000
		Trust interests (<i>Note 1</i>)	US\$4,000,000

Notes:

- These represent the interests in the debentures held by SOI and/or Boswell Limited (“**Boswell**”). Both SOI and Boswell were wholly-owned subsidiaries of SOCL, which was held under the Bosrich Unit Trust. The units of the Bosrich Unit Trust were the property of a discretionary trust, of which Mr. Lo was the founder and both Mr. Lo and Ms. Lo were discretionary beneficiaries.
- These represent the interests in the debentures held by Mrs. Lo, the spouse of Mr. Lo.

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

At the Latest Practicable Date, other than the property management services agreement dated 16 March 2019 as disclosed in the announcement issued by the Company on 18 April 2019, there was no contract or arrangement subsisting in which any of the Directors was materially interested and which was significant in relation to the businesses of the Group.

Save as disclosed below, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up) and up to the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group:

- Certain tenancy subsisted between the Company as lessee and Shui On Group Management Limited (a subsidiary of SOCL, in which Mr. Lo and Ms. Lo were deemed to have interests at the Latest Practicable Date as mentioned above) as lessor in respect of certain office space in Hong Kong owned by Shui On Centre Company Limited (a subsidiary of SOCL), the aggregate amount of the rental and management fees of which was approximately HK\$0.6 million for the seven-month period ended 31 July 2019.

- (b) Pursuant to a sale and purchase agreement dated 18 April 2019, Grateful Tide Limited (a subsidiary of the Company) acquired the property management business in Hong Kong from SOI (a subsidiary of SOCL) for a consideration of HK\$35 million. Further details of the acquisition have been disclosed in the announcement issued by the Company on 18 April 2019.
- (c) Pursuant to a sale and purchase agreement dated 14 May 2019, Shui On Building Materials Limited (a subsidiary of the Company) disposed of 58% of the issued ordinary shares of Great Market Limited to Pacific Wise Enterprises Limited (a subsidiary of SOL, which in turn is a subsidiary of SOCL) for a total transaction amount of approximately RMB147.85 million (subject to adjustment). Further details of the disposal have been disclosed in the announcement and circular issued by the Company on 14 May 2019 and 12 June 2019 respectively.

At the Latest Practicable Date, save as disclosed below, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name(s) of company(ies) which had such discloseable interest or short position	Position within such company(ies)
Mr. Lo	SOCL	director
Ms. Lo	SOCL	director
Mr. Wong	SOCL and SOFCL	director

3. DIRECTORS' SERVICE CONTRACTS

At the Latest Practicable Date, none of the Directors had entered or proposed to enter into, with any member of the Group, a service contract which is not expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation).

4. COMPETING BUSINESS INTERESTS OF DIRECTORS

At the Latest Practicable Date, the following Directors were considered to have interests in the businesses, which competed or were likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules as set out below:

- (a) Mr. Lo is a director and the controlling shareholder of SOCL which, through its subsidiaries, including (among others) SOL, principally engages in property development and investment projects in Hong Kong and the PRC.

- (b) Mr. Lo is a director of Great Eagle Holdings Limited which, through its subsidiaries, engages in (among others) property development and investment, and trading of building materials in Hong Kong and the PRC.
- (c) Ms. Lo is a director of SOCL which, through its subsidiaries, including (among others) SOL, principally engages in property development and investment projects in Hong Kong and the PRC.
- (d) Mr. Wong is a director of SOCL which, through its subsidiaries, including (among others) SOL, principally engages in property development and investment projects in Hong Kong and the PRC.

As the Board is independent from the boards of directors of the aforesaid companies and the above Directors are unable to control the Board, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in the businesses, which competed or were likely to compete, either directly or indirectly, with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder).

5. LITIGATION

At the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by the members of the Group within the two years immediately preceding the date of this circular, which were or might be material:

- (a) a sale and purchase agreement (as supplemented by a supplemental agreement) dated 7 September 2017 entered into among Wealth Frame Limited ("**Wealth Frame**", a wholly-owned subsidiary of the Company) as purchaser, the Company, Fine Ace Investments Limited ("**Fine Ace**", a wholly-owned subsidiary of SOTAN China Real Estate I, LP ("**SOTAN Fund**")) as seller and the limited partners of SOTAN Fund whereby Wealth Frame agreed to acquire from Fine Ace (i) 50% share interest in Cosy Rich Limited ("**Cosy Rich**", which holds the options entitling it to acquire 90% interest in a property project known as Veneto located in Tianjin, the PRC); and (ii) the shareholder's loans owed by Cosy Rich to Fine Ace, for a total consideration of approximately €4.62 million;

- (b) a sale and purchase agreement (as supplemented by a supplemental agreement) dated 7 September 2017 entered into among Wealth Frame as purchaser, the Company, Rosy Opportunity Limited (“**Rosy Opportunity**”, a wholly-owned subsidiary of SOTAN Fund) as seller and the limited partners of SOTAN Fund whereby Wealth Frame agreed to acquire from Rosy Opportunity (i) 50% share interest in Win Lead Holdings Limited (“**Win Lead**”, which, via a project company established in the PRC, holds a property project known as Scenic Villa located in Nanjing, the PRC); and (ii) the shareholder’s loan owed by Win Lead to Rosy Opportunity, for a total consideration of approximately €32.04 million;
- (c) supplemental guarantee restructuring deeds dated 17 October 2017 and 8 October 2018 entered into between the Company and China Cinda Asset Management Co., Ltd., Beijing Branch (“**CCAM**”) whereby CCAM agreed not to demand the fulfillment of the Company’s guarantee obligations under the corporate guarantee dated 2 April 2007 entered into by the Company in favour of the original lending bank for a loan granted to Beijing ZhongTian HongYe Real Estate Consulting Co., Ltd. (a former wholly-owned subsidiary of China Central Properties Limited, which was previously an associate of the Company and, since June 2009, has become an indirect wholly-owned subsidiary of the Company) in an outstanding principal amount of approximately RMB542 million, which was subsequently acquired by CCAM, for a period up to 18 October 2019 in consideration of the Company paying compensation fees in a total amount of RMB24 million to CCAM;
- (d) a sale and purchase agreement (as supplemented by supplement agreements) dated 14 November 2017 entered into among Main Zone Group Limited (“**Main Zone**”, a wholly-owned subsidiary of the Company) as seller, the Company as guarantor of Main Zone, Many Gain International Limited (“**Many Gain**”, a wholly-owned subsidiary of Yida China Holdings Limited (“**Yida**”)) as purchaser and Yida as guarantor of Many Gain whereby (i) Main Zone agreed to sell and procure the sale of, and Many Gain agreed to acquire, 28.20% share interest in Richcoast Group Limited (“**Richcoast**”, which, through its subsidiaries, holds 78% interest in a property project known as Dalian Tiandi located in Dalian, the PRC), the offshore loans due by certain subsidiaries of Richcoast to Main Zone and the assignable onshore debts due by certain subsidiaries of Richcoast to the Group; and (ii) Many Gain agreed to procure the repayment of the non-assignable onshore debts due by certain subsidiaries of Richcoast to the Group, for a total transaction amount of RMB1,300 million;
- (e) contract notes dated 20 August 2018 entered into by the Company as purchaser with certain shareholders of the Company as sellers for buying back a total of 100,000,000 Shares at a price of HK\$2.50 per Share pursuant to the cash offer made by UBS AG Hong Kong Branch on behalf of the Company upon the terms and conditions as set out in the offer document issued by the Company on 17 July 2018;

- (f) a sale and purchase agreement dated 13 November 2018 entered into among Talent Reach Group Limited (“**Talent Reach**”, an indirect wholly-owned subsidiary of the Company) as purchaser, Profit Mastery Investments Limited (“**Profit Mastery**”) as vendor and Mr. Cheung Siu Wing as guarantor of Profit Mastery whereby Talent Reach agreed to acquire from Profit Mastery (i) the entire share interest in the Target Company, being the sole owner of the Property; and (ii) all debts (including interests) owed by the Target Company to Profit Mastery, for a total consideration of approximately HK\$303.5 million (subject to adjustment);
- (g) a sale and purchase agreement dated 14 May 2019 entered into between Shui On Building Materials Limited (“**SOBML**”, an indirect wholly-owned subsidiary of the Company) as vendor and Pacific Wise Enterprises Limited (“**Pacific Wise**”, an indirect wholly-owned subsidiary of SOL) as purchaser whereby (i) SOBML agreed to sell to Pacific Wise 58% of the issued ordinary shares of Great Market Limited (“**Great Market**”, which holds 60% equity interest in a project company established in the PRC (the “**Project Company**”) whose principal activity is manufacturing and trading of cement in Nanjing, the PRC) and the shareholder’s loan owed by Great Market to SOBML; and (ii) Pacific Wise agreed to procure its affiliates to provide an onshore loan to the Project Company for its partial settlement of the advances owed by it to the PRC affiliates of SOBML, for a total transaction amount of approximately RMB147.85 million (subject to adjustment);
- (h) a Sichuan commodity housing sale and purchase agreement (as supplemented by a supplemental agreement) dated 12 July 2019 entered into between Chengdu Xianglong Real Estate Co., Ltd. (“**Chengdu Xianglong**”, an indirect wholly-owned subsidiary of the Company established in the PRC, which holds a property project known as Centropolitan located in Chengdu, the PRC (the “**Chengdu Project**”)) as vendor and 伊頓教育諮詢(成都)有限公司 (EtonHouse Education Services (Chengdu) Co., Ltd.*) (“**EtonHouse Education**”) as purchaser whereby Chengdu Xianglong agreed to dispose of the business premises situated at Unit 1, First Floor, Tower 19 and Unit 1, First Floor, Tower 21 in the Chengdu Project to EtonHouse Education for a consideration of RMB45.5 million;
- (i) a resumption compensation agreement dated 23 July 2019 entered into between 貴州凱里瑞安水泥有限公司 (Guizhou Kaili Shui On Cement Limited*) (“**Kaili Shui On Cement**”, an indirect wholly-owned subsidiary of the Company) and the Kaili Municipal People’s Government of Guizhou Province of the PRC (the “**Kaili Government**”) whereby the Kaili Government agreed to compensate Kaili Shui On Cement an amount of approximately RMB171.0 million for resuming the buildings, other production facilities and certain land parcels of its cement plant located in Guizhou, the PRC and reimbursing the costs and expenses incurred by the Group for closing the operation of the cement plant; and
- (j) the Sale and Purchase Agreement.

* For identification purpose only

7. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given its opinion or advice in this circular:

Name	Qualification
Jones Lang LaSalle Limited	Independent professional property valuer

Jones Lang LaSalle Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears herein.

Jones Lang LaSalle Limited has confirmed that:

- (a) at the Latest Practicable Date, it did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (b) at the Latest Practicable Date, it did not have any direct or indirect interest in any assets which had since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (c) its property valuation report is given as of the date of this circular for incorporation herein.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office of the Company at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the two financial years ended 31 December 2017 and 2018;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (d) the property valuation report from Jones Lang LaSalle Limited, the text of which is set out in Appendix II to this circular;
- (e) the written consent referred to in the section headed "Expert's Qualification and Consent" in this appendix; and
- (f) this circular.

9. MISCELLANEOUS

- (a) The company secretary of the Company is Ms. Chan Yeuk Ho, Karen, an Associate of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at 34th Floor, Shui On Centre, 6-8 Harbour Road, Hong Kong.
- (c) The principal share registrar and transfer office of the Company is Conyers Corporate Services (Bermuda) Limited, Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.