THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 Chuang's China Investments Limited, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Chuang's China Investments Limited

（莊 士 中 國 投 資 有 限 公 司）

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE SALE AND PURCHASE OF THE ENTIRE EQUITY INTEREST IN, AND THE ASSIGNMENT OF SHAREHOLDER'S LOAN TO, WINFRED INVESTMENT LIMITED AND NOTICE OF SGM

Financial adviser to Chuang's China Investments Limited

BALLAS CAPITAL

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

HALCYON 鎧盛

Halcyon Capital Limited

A letter from the Board is set out on pages 5 to 17 of this circular.

A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 23 to 24 of this circular. A letter from Halcyon Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice in respect of the Proposed Transaction is set out on pages 25 to 45 of this circular.

A notice convening the SGM to be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong at 10:00 a.m. on Wednesday, 31 January 2018 is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is also enclosed. Whether or not you are able to attend the SGM, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

11 January 2018

CONTENTS

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

"associate(s)"; "connected person(s)"; "connected transaction(s)"; "percentage ratio(s)"; and "subsidiary(ies)"	each has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	a day other than Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a "black" rainstorm warning signal is hoisted or remain hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m., on which licensed banks are open for general business in Hong Kong
"CCIL"	Chuang's Consortium International Limited, a company incorporated in Bermuda which shares are listed on the Main Board of the Stock Exchange (stock code: 367)
"CCIL Group"	CCIL and its subsidiaries, including the Group
"Central Plaza"	the commercial property located at No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
"Central Plaza Group"	Central Plaza Holdco and its wholly-owned subsidiary, Chuang's Properties (Central Plaza) Sdn. Bhd. which is incorporated in Malaysia with limited liability
"Central Plaza Holdco"	Winfred Investment Limited, a limited liability company incorporated in the Republic of Liberia and an indirect wholly-owned subsidiary of CCIL
"Colliers"	Colliers International (Hong Kong) Ltd., an independent valuer appointed by the Company for the Proposed Transaction
"Company"	Chuang's China Investments Limited, a company incorporated in Bermuda which shares are listed on the Main Board of the Stock Exchange (stock code: 298)
"Completion"	completion of the transactions under the Sale and Purchase Agreement pursuant to the terms and conditions thereunder
"Completion Accounts"	the consolidated financial statements of the Central Plaza Group as at the Completion Date

"Completion Date"	the third Business Day after fulfilment (or waiver, as appropriate) of the last condition precedent or such other date as may be agreed between CCIL and the Company in writing
"Completion NAV"	the aggregate of all assets (excluding Central Plaza) less the aggregate of all liabilities and provisions (excluding the Sale Loan) of the Central Plaza Group as at Completion as shown in the Completion Accounts
"Consideration"	the total consideration for the acquisition of the Sale Shares and the Sale Loan to be paid by the Company to CCIL pursuant to the Sale and Purchase Agreement
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group and the members of the Central Plaza Group which will become subsidiaries of the Company upon Completion
"Group"	the Company and its subsidiaries
"Halcyon Capital" or "Independent Financial Adviser"	Halcyon Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee comprising Mr. Andrew Fan Chun Wah and Dr. Eddy Li Sau Hung to advise the Independent Shareholders in relation to the Proposed Transaction
"Independent Shareholder(s)"	Shareholder(s) other than CCIL and its associates
"January Transaction"	the acquisition by the Company from Midas pursuant to a sale and purchase agreement entered into between the Company and Midas on 21 January 2017, and details of the transaction are disclosed in the joint announcement of CCIL, the Company and Midas dated 22 January 2017
"Latest Practicable Date"	8 January 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Midas"	Midas International Holdings Limited, a company incorporated in the Cayman Islands which shares are listed on the Main Board of the Stock Exchange (stock code: 1172)
"Mortgage Loan"	the existing mortgage loan on Central Plaza granted to the Central Plaza Group
"PRC"	the People's Republic of China (for the purpose of this circular, excluding Hong Kong, Macao and Taiwan)
"Proposed Transaction"	the acquisition of the Sale Shares and the Sale Loan by the Company from CCIL pursuant to the Sale and Purchase Agreement
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 7 December 2017 entered into between the Company and CCIL in relation to the Proposed Transaction
"Sale Loan"	the entire amount of shareholder's loan owed by the Central Plaza Holdco to its shareholder at Completion
"Sale Shares"	the entire issued share capital of the Central Plaza Holdco at Completion
"SGM"	a special general meeting of the Company to be convened for the purposes of considering and, if thought fit, passing the necessary resolution to approve, among other matters, the Sale and Purchase Agreement and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of HK$0.05 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
"Valuation"	the valuation of Central Plaza of MYR175 million (equivalent to approximately HK$336 million) as at 30 November 2017 based on market approach as appraised by Colliers
"GFA"	gross floor area

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"MYR"	Malaysian Ringgit, the lawful currency of Malaysia
"sq. ft."	square feet
"sq. m."	square metres
"%"	per cent

For the purpose of illustration only, amounts denominated in MYR in this circular have been translated into HK$ at the rate of MYR1.00 = HK$1.92. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

Chuang's China Investments Limited
（莊 士 中 國 投 資 有 限 公 司）
(Incorporated in Bermuda with limited liability)
(Stock Code: 298)

Executive Directors:
Miss Ann Li Mee Sum *(Deputy Chairman)*
Mr. Albert Chuang Ka Pun *(Managing Director)*
Mr. Chong Ka Fung *(Deputy Managing Director)*
Mr. Sunny Pang Chun Kit
Mr. Geoffrey Chuang Ka Kam

Non-Executive Director:
Mr. Dominic Lai

Independent Non-Executive Directors:
Mr. Abraham Shek Lai Him, *G.B.S., J.P. (Chairman)*
Mr. David Chu Yu Lin, *S.B.S., J.P.*
Mr. Andrew Fan Chun Wah, *J.P.*
Dr. Eddy Li Sau Hung, *G.B.S., J.P.*

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

Principal Office in Hong Kong:
25th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

11 January 2018

To the Shareholders,

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
THE SALE AND PURCHASE OF THE ENTIRE EQUITY INTEREST IN,
AND THE ASSIGNMENT OF SHAREHOLDER'S LOAN TO,
WINFRED INVESTMENT LIMITED
AND
NOTICE OF SGM

INTRODUCTION

On 7 December 2017, the Board announced in a joint announcement with CCIL that, on 7 December 2017, the Company and CCIL entered into the Sale and Purchase Agreement, pursuant to which CCIL conditionally agreed to sell or procure the sale of, and the Company conditionally agreed to purchase or procure the purchase of, the Sale Shares and the Sale Loan.

Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin are independent non-executive directors of both CCIL and the Company as at the date of the Sale and Purchase Agreement. Accordingly, Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin have been excluded from the Independent Board Committee. The Independent Board Committee comprising Mr. Andrew Fan Chun Wah and Dr. Eddy Li Sau Hung, being the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Proposed Transaction. Halcyon Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction.

The purpose of this circular is to provide you with, among other things, (i) further details on the Proposed Transaction; (ii) the recommendation of the Independent Board Committee in relation to the Proposed Transaction; (iii) a letter of advice from Halcyon Capital to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction; (iv) the valuation report on Central Plaza; and (v) the notice of the SGM to be convened for the purpose of considering and approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

SALE AND PURCHASE AGREEMENT

Date

7 December 2017 (after trading hours)

Parties

Purchaser:	Chuang's China Investments Limited
Vendor:	Chuang's Consortium International Limited

Subject assets

Pursuant to the Sale and Purchase Agreement, CCIL conditionally agreed to sell or procure the sale of, and the Company conditionally agreed to purchase or procure the purchase of, the Sale Shares and the Sale Loan.

Consideration

The Consideration of the Proposed Transaction is, subject to adjustments, not more than MYR175 million (equivalent to approximately HK$336 million). The Consideration was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to (1) the consolidated net liabilities of the Central Plaza Group (excluding Central Plaza and the Sale Loan) at Completion and (2) the Valuation of Central Plaza (being MYR175 million (equivalent to approximately HK$336 million)). Based on the accountant's report on the Central Plaza Group as set out in Appendix II to this circular, as at 30 September 2017, the consolidated net liabilities of the Central Plaza Group (excluding Central Plaza and the Sale Loan) is approximately HK$150.0 million.

Pursuant to the Sale and Purchase Agreement, the Consideration at Completion will be adjusted in accordance with the following formula and will be paid by the Company to CCIL at Completion in cash from its internal resources:

Consideration = Valuation of Central Plaza (being MYR175 million (equivalent to approximately HK$336 million)) + Completion NAV

The basis of the abovementioned formula has taken into account the Valuation of Central Plaza and the aggregate of all assets (other than Central Plaza) and minus all liabilities (other than the Sale Loan) of the Central Plaza Group as at Completion.

In the event the Mortgage Loan is continued by the Company, the Consideration will be reduced by the outstanding amount of the Mortgage Loan which is estimated to be approximately MYR75.8 million (equivalent to approximately HK$145.5 million) at Completion. Taking this into account, the Consideration at Completion is expected to be approximately MYR99.2 million (equivalent to approximately HK$190.5 million). For details of the Mortgage Loan, please refer to the section headed ''Information on the Central Plaza Group and Central Plaza'' below.

For illustrative purpose, based on the latest consolidated financial information of the Central Plaza Group as at 30 September 2017 as set out in Appendix II to this circular, and taking into account the expected outstanding amount of the Mortgage Loan at Completion, the Completion NAV is expected to be a negative value of approximately HK$150.0 million if the Mortgage Loan is to be continued and a negative value of approximately HK$7.8 million if it is repaid. As such, irrespective of whether the Mortgage Loan is to be repaid or not prior to Completion, the Completion NAV is expected to be a negative figure. However, the exact amount of the Consideration can only be determined at the Completion Date subject to the then consolidated financial position of the Central Plaza Group.

Conditions precedent

Completion of the Sale and Purchase Agreement is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions:

(a) the passing of the necessary resolution(s) by the Independent Shareholders at the SGM approving, authorizing and ratifying the entering into of the Sale and Purchase Agreement by the Company and the performance of all transactions contemplated thereunder;

(b) the representations, warranties, undertakings and indemnities given by the Company and CCIL respectively under the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respect; and

(c) all statutory, governmental and regulatory obligations having been complied with and all regulatory, statutory, governmental and third party consents and waivers necessary to give effect to the Completion having been obtained by the Company and CCIL.

Each of the Company and CCIL may waive condition (b) above in respect of the respective representations, warranties, undertakings and indemnities made by the other party by notice in writing to the other party. The Company and CCIL will, as the Proposed Transaction proceeds, exercise its right of waiver in relation to condition (b) according to the then circumstances and in the case of the Company, after taking into account the best interest of the Company and the Shareholders as a whole on the premises that such waiver will not affect the substance of the Proposed Transaction. The remaining conditions are non-waivable. As at the Latest Practicable Date, none of the conditions precedent had been fulfilled or waived.

If any of the conditions precedent of the Sale and Purchase Agreement is not fulfilled (or waived, if applicable) on or before 30 June 2018 (or such other date as agreed by the parties to the Sale and Purchase Agreement), the rights and obligations of the parties under the Sale and Purchase Agreement shall lapse and be of no further effect.

Other terms

CCIL and the Company will endeavor to secure the consent of the mortgagee bank of the Central Plaza Group to maintain the Mortgage Loan notwithstanding Completion on terms acceptable to the Company. In the event such consent is not obtained by 31 January 2018 (or such other date as the parties to the Sale and Purchase Agreement may agree in writing), CCIL shall procure the repayment of the Mortgage Loan prior to Completion.

In this respect, the mortgagee bank has indicated that, subject to the execution by the Company of certain loan documentations prior to Completion, the mortgagee bank will agree to maintain the existing Mortgage Loan on Central Plaza granted to the Central Plaza Group notwithstanding Completion. As the terms are acceptable to the Company, after Completion, the Company will provide guarantee in respect of the obligations and liabilities of the Central Plaza Group under the Mortgage Loan.

Completion

Completion will take place on the third Business Day after the last outstanding condition precedent of the Sale and Purchase Agreement has been fulfilled (or waived, as the case may be), or such other date as the parties to the Sale and Purchase Agreement may agree in writing. On the Completion Date, transfer of the Sale Shares and the Sale Loan from CCIL Group to the Group will be effected.

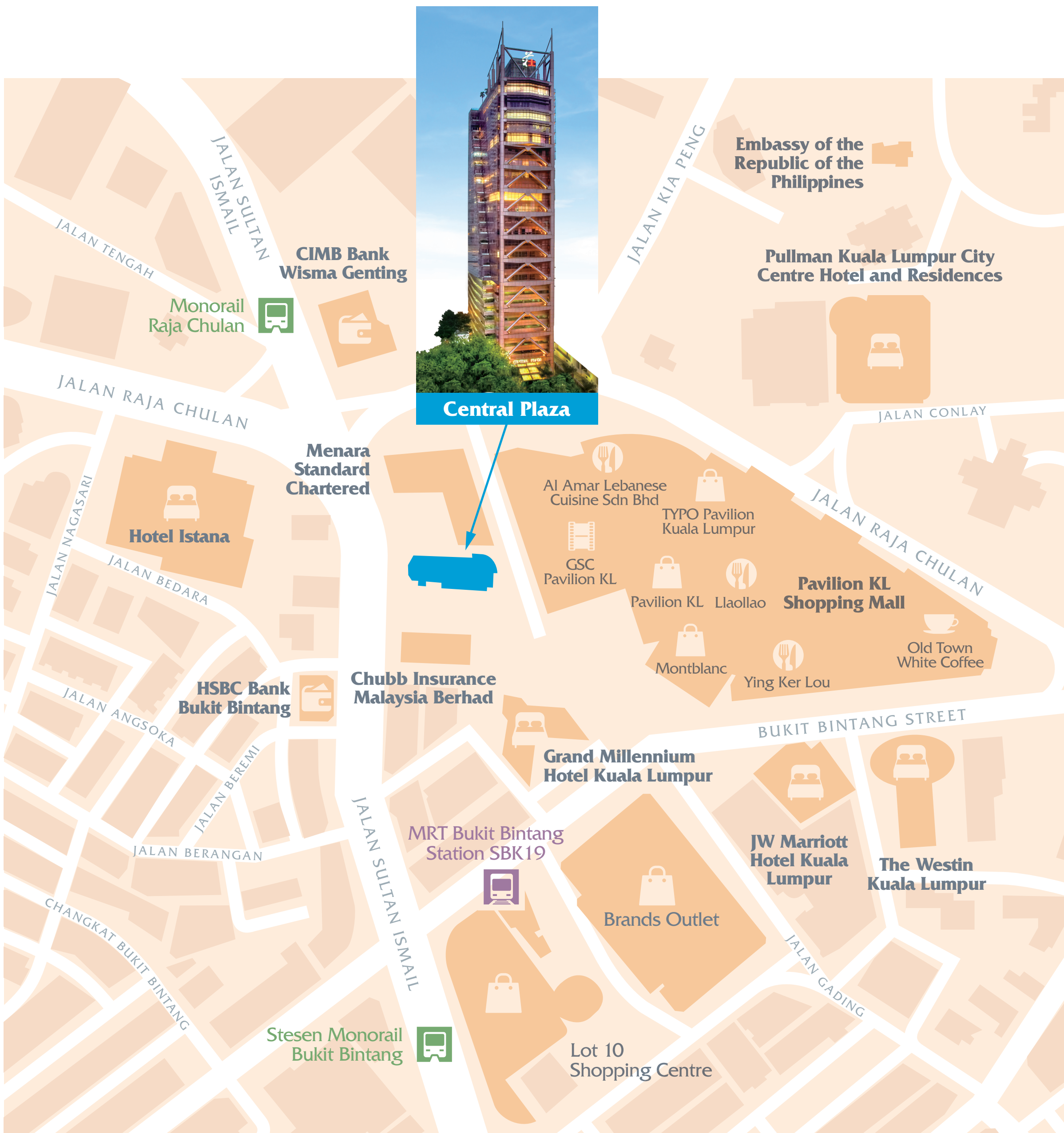
INFORMATION ON THE CENTRAL PLAZA GROUP AND CENTRAL PLAZA

Central Plaza Holdco was incorporated in the Republic of Liberia with limited liability and is an indirect wholly-owned subsidiary of CCIL. Central Plaza Holdco, through its wholly-owned subsidiary, is engaged in investment holding and property investment in Malaysia and its major asset is the property known as Central Plaza.

Central Plaza is located within the city centre commercial zone of Kuala Lumpur. It is right next to the landmark shopping complex, Pavilion KL, in Jalan Sultan Ismail, the heart of central business district and prestigious shopping area of Kuala Lumpur.

The public transportation services are excellent in the area where Central Plaza is located. There are two monorail stations (Raja Chulan and Bukit Bintang stations) located less than 400 meters away from Central Plaza, and in July 2017, the latest mass transit line (MRT Sungai Buloh-Kajang Line) started operation and its station is located within 5 minutes walking distance from Central Plaza.

The map below shows the location of Central Plaza together with the monorail or mass transit railway stations within the vicinity.



Central Plaza is built on a freehold land and is a 29-storey high rise office building having a total GFA of approximately 382,000 sq. ft.. It comprises of retail and office spaces with total GFA of approximately 254,000 sq. ft. (on total net lettable area basis is approximately 195,000 sq. ft.) and 298 carparking spaces with total GFA of approximately 128,000 sq. ft.. As at 30 November 2017, Central Plaza had an occupancy rate of approximately 71% and is leased to multiple tenants with the latest expiry date of 31 May 2020. Based on the Valuation and the monthly rental and other income of approximately MYR875,000 (equivalent to approximately HK$1.7 million) as at 30 November 2017, the gross rental yield of Central Plaza is approximately 6%.

As at the Latest Practicable Date, Central Plaza is mortgaged to a bank for the Mortgage Loan granted to the Central Plaza Group with outstanding amount of approximately MYR76.0 million (equivalent to approximately HK$145.9 million). Currently, the Mortgage Loan carries interest at 4.75% per annum, which is determined by the base lending rate of Malaysia minus 2%. The Mortgage Loan is repayable on the first day of each month with details below. The maturity date is 1 May 2022.

Period	**Total principal repayment for the period**	
	MYR'000	*HK$'000*
1 February 2018 to 31 May 2018	800	1,536
1 June 2018 to 31 May 2020	6,000	11,520
1 June 2020 to 31 May 2021	3,600	6,912
1 June 2021 to 30 April 2022	5,610	10,771
1 May 2022	59,990	115,181
	76,000	145,920

Please refer to the section headed "Sale and Purchase Agreement — Other terms" above for the detailed arrangement of the Mortgage Loan upon Completion.

Set out below is the financial summary of the Central Plaza Group for the two financial years ended 31 March 2017 and the six months ended 30 September 2017:

	Financial year ended 31 March		**Six months ended 30 September**
	2016	**2017**	**2017**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)
Profit before taxation	15,597	4,008	3,023
Profit after taxation	14,029	2,911	2,480

The audited consolidated total assets and net assets attributable to equity holders of the Central Plaza Group (including shareholder's loan of approximately HK$64.2 million) as at 30 September 2017 were approximately HK$327.5 million and approximately HK$170.2 million respectively. As at 30 September 2017, the audited book value of Central Plaza in the accounts of the Central Plaza Group was MYR173 million (equivalent to approximately HK$332 million).

The Valuation of Central Plaza based on market approach as appraised by Colliers, an independent valuer appointed by the Company, was MYR175 million (equivalent to approximately HK$336 million) as at 30 November 2017. The Valuation represents an average value of approximately MYR897.4 (equivalent to approximately HK$1,723.0) per sq. ft. of net lettable retail and office area. The Valuation comprises:

(a) MYR148 million (equivalent to approximately HK$284.2 million) for the net lettable retail and office area, representing an average value of approximately MYR759.0 (equivalent to approximately HK$1,457.3) per sq. ft.; and

(b) MYR27 million (equivalent to approximately HK$51.8 million) for 298 car parks, representing an average value of approximately MYR90,604.0 (equivalent to approximately HK$173,959.7) per car park.

Further details on the valuation of Central Plaza are set out in ''Appendix V — Valuation in relation to Central Plaza'' to this circular.

INFORMATION ON CCIL

CCIL was incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 367).

As at the Latest Practicable Date, CCIL Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of home finishing products, watch components and merchandises, securities investment and trading, money lending business and information technology business.

REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION

The Company was incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 298). The Company is an indirect non-wholly-owned subsidiary of and owned as to approximately 60.7% by the CCIL Group as at the Latest Practicable Date. The Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of goods and merchandises, including watch components and art pieces, and securities investment and trading.

As stated in the interim report of the Company for the six months ended 30 September 2017, from the promotion of the One Belt One Road initiatives (the "**OBOR**") to the development of the Guangdong-Hong Kong-Macao Bay Area, the Group is excited about the macro economic momentum that these policies will bring along. The Group will actively capitalize on the national policies of the PRC government and will expand business scope along the regions promoted under these policies. Geographically, the Group will seek for opportunities not only in Hong Kong, the PRC and the United Kingdom but will also expand to other developed countries.

The OBOR refers to the Silk Road Economic Belt and 21st Century Maritime Silk Road, a significant development strategy launched by the PRC government with the intention of promoting economic cooperation among countries along the proposed Belt and Road routes, including Malaysia where Central Plaza is situated. Malaysia is one of the leading active partners in the OBOR. Malaysia will benefit from the implementation of the OBOR by the PRC due to the country's strategic location. Besides benefiting from the aspect of holistic connectivity, the OBOR could contribute to the local economic development of Malaysia.

The Board considers that the Proposed Transaction is in line with the aforesaid business strategy and represents an opportunity for the Company to utilize its cash on hand and invest and expand into the Malaysian market by acquiring a property in prime location in Kuala Lumpur for investment purpose. In addition to geographical expansion, the acquisition of Central Plaza will increase the Group's property investment portfolio and enhance recurring rental income for the Group.

As attested by a market study conducted by an independent expert, Euromonitor International Limited who is the world's leading independent provider of strategic market research, the Board considered that as more companies from the PRC and Malaysia are already exploring opportunities to collaborate under the OBOR, and that the strong flow of Chinese investment is expected to continue as more projects from the OBOR take place, the spill-over effect of these increased collaboration from OBOR will drive demand for housing, and domestic consumption, thus contribute to the economic multiplier effect across industries in Malaysia. Further information on China to Malaysia direct investment as extracted from the report of the independent expert is set out in the "Overview — China to Malaysia direct investment" section to this circular.

Furthermore, after Completion, the Group will monitor the market conditions to optimize the investment return of Central Plaza. Thorough review of the market potential will be assessed in view of (a) the prestigious and populous location of Central Plaza with retail, commercial and tourism developments; (b) the connectivity brought about by the latest mass transit line which further enhances accessibility; and (c) in medium term by the continuous growth in Chinese investments in Malaysia driven by OBOR. The Group will carry out assessment on conversion or redevelopment of the property from time to time. However, the Group currently has no concrete plan for the potential redevelopment.

As the mortgagee bank has indicated that, subject to the execution by the Company of certain loan documentations prior to Completion, the mortgagee bank will agree to maintain the existing Mortgage Loan on Central Plaza granted to the Central Plaza Group notwithstanding Completion, it is expected that at Completion, the Consideration payable in cash by the Company will be not more than approximately MYR99.2 million (equivalent to approximately HK$190.5 million), and the Central Plaza Group will continue with the Mortgage Loan of approximately MYR75.8 million (equivalent to approximately HK$145.5 million).

Having taken into account the above factors and the financial effects of the Proposed Transaction to the Group as discussed under the section headed "Financial effects of the Proposed Transaction to the Group" below, the Directors consider that the Proposed Transaction is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION TO THE GROUP

Upon Completion, Central Plaza will be held as investment property by the Group and the Central Plaza Group will become wholly-owned subsidiaries of the Company, and the assets, liabilities and results of the Central Plaza Group will be consolidated into the financial statements of the Group.

Based on the unaudited pro forma financial information of the Enlarged Group set out in Appendix IV to this circular and the bases and assumptions taken into account in preparing such unaudited pro forma financial information, had Completion taken place on 30 September 2017, the unaudited consolidated total assets of the Enlarged Group would have been increased to approximately HK$6,820.8 million on a pro forma basis; and its unaudited consolidated total liabilities would have been increased to approximately HK$2,621.6 million on a pro forma basis. Accordingly, the unaudited pro forma consolidated net assets of the Enlarged Group as at 30 September 2017 would be decreased by approximately HK$3.0 million to approximately HK$4,199.2 million, which was mainly due to the expenses in relation to the Proposed Transaction. Details of the unaudited pro forma financial information of the Enlarged Group are set out in "Appendix IV — Unaudited Pro Forma Financial Information of the Enlarged Group" to this circular.

Central Plaza will contribute rental income to the Group, and will enhance the revenue stream of the Group upon Completion. The Group's earnings are expected to increase as a result of the Proposed Transaction, after taking into account the rental income to be derived from Central Plaza. For details of the Central Plaza Group, please refer to "Appendix II — Accountant's report on the Central Plaza Group" and "Appendix III — Management Discussion and Analysis of the Central Plaza Group" to this circular.

Shareholders and potential investors of the Company should note that the actual financial effects of the Proposed Transaction to the Group may be different from those of the above and can only be determined based on the then consolidated financial position of the Central Plaza Group upon Completion.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, CCIL is interested in approximately 60.7% of the issued share capital of the Company (through Profit Stability Investments Limited, a direct wholly-owned subsidiary of CCIL).

As one or more of the applicable percentage ratios for the Company regarding the Proposed Transaction (when aggregated with the January Transaction) are more than 25% but less than 100%, the Proposed Transaction 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.

Furthermore, by virtue of CCIL's aforesaid equity interests in the Company, CCIL is a connected person to the Company and accordingly, the Proposed Transaction also constitutes a non-exempt connected transaction of the Company which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Accordingly, the Proposed Transaction is conditional on, amongst others, the approval by the Independent Shareholders at the SGM. CCIL, which through its wholly-owned subsidiary, holds 1,426,074,923 Shares, representing approximately 60.7% of the issued share capital of the Company as at the Latest Practicable Date, is required to abstain from voting in respect of the resolution that would be proposed to approve the Proposed Transaction at the SGM.

As the appointment of Mr. Geoffrey Chuang Ka Kam, Mr. Dominic Lai and Dr. Eddy Li Sau Hung as Directors was only effective from 1 December 2017, they were not part of the Board when the Board meeting in relation to the Proposed Transaction was held on 30 November 2017. As each of Mr. Albert Chuang Ka Pun and Mr. Chong Ka Fung is an executive director of CCIL, and each of Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin is an independent non-executive director of CCIL, each of them has abstained from voting on the board resolution(s) in the board meeting of the Company in relation to the Proposed Transaction. Save as disclosed above, no Director had a material interest in the Proposed Transaction and thus was required to abstain from voting on the board resolution(s) in the board meeting of the Company for considering and approving the Proposed Transaction.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin are independent non-executive directors of both CCIL and the Company. Accordingly, Mr. Abraham Shek Lai Him and Mr. David Chu Yu Lin have been excluded from the Independent Board Committee.

Accordingly, the Independent Board Committee comprising Mr. Andrew Fan Chun Wah and Dr. Eddy Li Sau Hung, being independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Proposed Transaction.

Halcyon Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Proposed Transaction.

THE SGM

Set out on pages SGM-1 to SGM-2 of this circular is a notice convening the SGM to be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong at 10:00 a.m. on Wednesday, 31 January 2018 at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 26 January 2018 to Wednesday, 31 January 2018, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the SGM, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 25 January 2018.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's branch share registrar in Hong Kong, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish. Voting on the proposed resolution at the SGM will be taken by poll.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 23 to 24 of this circular and the letter from the Independent Financial Adviser on pages 25 to 45 of this circular which contains their advice to the Independent Board Committee and the Independent Shareholders regarding the Proposed Transaction as well as the principal factors and reasons taken into consideration in arriving at their advice.

The Directors consider that the terms of the Proposed Transaction are fair and reasonable and on normal commercial terms, and the Proposed Transaction is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. You are advised to read the letter from the Independent Board Committee and the letter from the Independent Financial Adviser mentioned above before deciding how to vote on the resolution to be proposed at the SGM.

ADDITIONAL INFORMATION

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

By order of the Board of
Chuang's China Investments Limited
Mr. Albert Chuang Ka Pun
Managing Director

*The following is the extract from the report compiled by Euromonitor International Limited ("**Euromonitor**") to Chuang's China Investments Limited.*

Disclaimer: The information that appears in this Overview has been prepared by Euromonitor and reflects estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. References to Euromonitor should not be considered as the opinion of Euromonitor as to the value of any security or the advisability of investing in the Company. The Directors believe that the sources of information contained in this Overview are appropriate sources for such information and have taken reasonable care in reproducing such information. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. Euromonitor shall not give any representations as to its accuracy and the information should not be relied upon in making, or refraining from making, any investment decision.

Research Methodologies: In compiling and preparing the report, Euromonitor used a number of methodologies to collect multiple sources, validate the data and information collected, and cross-check each respondent's information and views against those of others.

Forecasting Bases and Assumptions: The market research was completed in December 2017 and all statistics in the report are based on information available at the time of reporting. Euromonitor's forecast data is cross-checked against established industry data and trade interviews with industry experts.

CHINA TO MALAYSIA DIRECT INVESTMENT

Warm relationship and strong influx of Chinese capital into Malaysia in recent years

China's investment in Malaysia surged remarkably between 2012 and 2016, which saw China to Malaysia foreign direct investment (FDI) stock registering a compound annual growth rate (CAGR) of 37.2% to reach MYR15.9 billion in 2016.

Table 1: China to Malaysia direct investment, Historic (2012–2016)

	2012	2013	2014	2015	2016*
China to Malaysia direct investment stocks (MYR million)	4,486.2	7,293.3	7,806.8	9,755.5	15,887.7

Source: National Bureau of Statistics of China

* *Euromonitor will include the latest 2016 historic data sets if they are found to be published by the relevant official source during the course of the research*

China was the biggest investor in the manufacturing sector. For instance, Kibing Glass Group (旗濱集團) and Xinyi Glass Holdings Ltd (信義玻璃控股有限公司) have invested in local production plants in Malaysia which transformed the nation from an importer to an exporter of glass products. Furthermore, Chinese solar product manufacturers such as Xi'an LONGi Silicon Materials Corporation (西安隆基硅材料股份有限公司) and JA Solar Holdings

Co Ltd (晶澳太陽能有限公司) have committed significant investments in Penang and Sarawak. As a result, Malaysia has become the third largest solar cell producer in the world, after mainland China and Taiwan. More recently, Zhejiang Geely Holding Group (浙江吉利控股集團) has announced to acquire Malaysia's car manufacturer Proton.

China is seen as a vital partner for Malaysia to achieve the high income nation standard. The strong flow of Chinese investment is expected to continue as more projects from the Belt and Road Initiative take place and are completed.

Infrastructure developments already on the way from Belt and Road Initiative

Companies from China and Malaysia are already exploring opportunities to collaborate under the Belt and Road Initiative. At a recent Belt and Road Forum held in Beijing in May 2017, Malaysian and Chinese companies signed nine memorandums of understanding and agreements. Among the major projects under the initiative is the Malaysia-China Kuantan Industrial Park in Pahang, Melaka Gateway, East Coast Rail Link and Xiamen University Malaysia.

In August 2017, China and Malaysia started work on the USD13 billion East Coast Rail Link project linking peninsular Malaysia's east and west. The project is the largest of such project in Malaysia and a major part of Beijing's Belt and Road infrastructure push. The planned 688 km East Coast Rail Link will connect the South China Sea at the Thai border in the east with the strategic shipping routes of the Straits of Malacca in the west.

A key benefit of the Belt and Road Initiative will be increased investment in Malaysia's infrastructure developments in sea, land and air transport, and energy infrastructure. This will also provide new business opportunities for local construction businesses. While majority of the recent infrastructure projects under the Belt and Road Initiative have been clinched by Chinese-national companies, the Malaysian government has put in provisions that require that a certain percentage of sub-contracting job packages be awarded to Malaysian companies.

Spill-over effects from infrastructure development and Belt and Road Initiative in general

While the short-term benefits of the Belt and Road Initiative are most obvious in the area of infrastructure developments, a range of other sectors, such as manufacturing, oil and gas, real estate, tourism, etc. will also see benefits from Chinese investment, and closer economic and geographic integration between China and Malaysia.

Five aspects of the Belt and Road Initiative include policy coordination, connecting infrastructure, promoting unimpeded trade, financial integration and fostering people-to-people bonds. The combination of the first four aspects will boost Malaysia's competitiveness in the logistics sector, thus promoting trade and potentially creating demand for the local manufacturing sector. Moreover, in parallel with Malaysia's government incentive program such as the Principal Hub Incentive, the nation is now better positioned to become a regional business hub for multinational companies (MNCs).

The publicity and the developments brought by the various Belt and Road projects will enhance Malaysia's appeal as a tourism destination. Malaysia has a large Chinese community and it shares some common cultural understanding with the native Chinese. The Belt and Road projects targeted at fostering people-to-people bonds such as the Xiamen University Malaysia will be able to build on this foundation and cultivate closer relationship between the people of the two countries, particularly the younger generations. As cultural exchange and mutual understanding are being facilitated, higher Chinese tourist arrivals can be expected. The Belt and Road Initiative is a regional initiative which will boost economic development of the region as a whole. Hence, in the longer term, as neighbouring developing countries' income increases, intra-regional tourism could be expected. Tourism is an industry with immense potential positive spill-over effects. Related industries that stand to be driven by it include retail, hospitality, real estate, manufacturing, etc.

Also, with the establishment of the Xiamen University Malaysia, Malaysians will have access to an additional choice for high quality tertiary education. This initiative will help facilitate knowledge transfer and create a pool of skilled workforce for companies. Furthermore, regardless of the type of projects, an inflow of foreign workers and expatriates can be expected. This will drive demand for housing, and domestic consumption, thus contribute to the economic multiplier effect across industries.

Kuala Lumpur stand to benefit from Belt and Road Initiative, but in a less direct manner

It should be noted that almost all projects related to the Belt and Road Initiative are targeted at other states instead of Kuala Lumpur. For instance, the East Coast Rail Link was intended to improve the connectivity of Pahang, Terengganu, Kelantan, to help boost local economy. That said, Kuala Lumpur could benefit from this major initiative in an indirect manner, as it is the business hub of the country.

As the capital city of the country, it is usually the first choice when MNCs are considering to establish a regional hub in the country. It is also where the country's best talents can be found and where infrastructure is the most advanced in the country. Its position as a key business hub is cemented with the development of the KL-Singapore High Speed Rail (HSR) project connecting two important regional business centres. As seen from the official data on global establishment investments, MNCs have shown strong interest in setting up a business presence in Kuala Lumpur. A recent example would be China Communications Construction Co Ltd (CCCC) (中國交通建設股份有限公司) announcing its intention to establish a hub in Kuala Lumpur for the ASEAN region. As more MNCs establish their regional presence in Kuala Lumpur, other positive impacts such as job creation, increased demand for commercial and residential properties, improvement in business and consumer confidence, etc. can be expected. All of this should contribute positively to local economy.

Not only is Kuala Lumpur a conducive place for business, it is also a popular destination city for tourists, ranking 7th in the Global Destination Cities Index by Mastercard in 2016. Hence, the city is likely to be a major beneficiary of the upcoming tourism growth. A significant portion of tourism receipts is expected to be absorbed by the city.

Chinese investors a key contributor to Kuala Lumpur's property market

Foreign direct investment in Kuala Lumpur's property market is significant, with many new residential property developments turning to foreign investors from neighbouring economies such as Singapore and Indonesia to boost sales in the light of declining local demand for such projects. Increasingly, property developers are targeting well-capitalised investors from economies further away such as China, Japan and Taiwan. In particular, cash-rich Chinese retail investors are becoming a key source of foreign direct investment in the residential property market for Kuala Lumpur.

Chinese retail investors are attracted to the relatively affordable prices of Malaysian residential properties compared to residential property prices in Australia, Hong Kong and China. The weakened Malaysian Ringgit has also contributed to this trend, with many Malaysian property developers organising roadshows in major Chinese cities to drum up interest and sales to a receptive market. However, the recent capital controls imposed by China over international monetary transfers have severely impacted residential property sales to Chinese retail investors, slowing down a key growth driver of Kuala Lumpur's residential property market and casting a shadow over future prospects.

Chinese property developers attracted by friendly political regime, tax breaks and untapped potential

Malaysia favours foreign direct investments and that applies to real estate as well. Developers from China enjoy tax breaks and are not subjected to regulatory restrictions such as the Bumiputera quota in their projects. The ongoing Belt and Road Initiative has also encouraged Chinese property developers to enter the market, giving them confidence to invest in and navigate large-scale property developments in Malaysia under a friendly political environment and a receptive regulatory regime.

Chinese developers have also assessed that there is much untapped potential in developing large-scale property developments in Malaysia which are affordable to mainstream Chinese buyers, whom they understand well and have targeted in selling the property developments to. Various mega projects announced under the Belt and Road Initiative such as the East Coast Rail Link, Melaka Gateway and the Malaysia-China Kuantan Industrial Park has also increased the visibility of Malaysia as a major investment gateway for Chinese property developers.

Under the favourable investment climate, the market has seen large Chinese property developers such as Country Garden (碧桂園集團), Greenland Group (綠地集團), Guangzhou R&F Properties (廣州富力地產) and Agile Property Holdings (雅居樂集團控股) entering the Malaysian property market to launch large, ambitious property development projects, mostly in the Johor Bahru region. These include Forest City in Johor Bahru (by Country Garden), Greenland Tebrau and Greenland Danga Bay in Iskandar Malaysia, Johor Bahru (by Greenland Group), R&F Princess Cove in Johor Bahru (by Guangzhou R&F Properties). Outside of Johor Bahru, Agile Property Holdings is developing the 10-acre Agile Mont Kiara luxury condominium project in Kuala Lumpur.

Another way for Chinese property developers to enter the Malaysian market is to partner with or provide capital injections into Malaysian property developers. An example is Fujian Hexinyuantong Investment Co Ltd (福建省合信元通投資有限公司) which injected up to MYR650 million in Paramount Blossom Sdn Bhd's residential project in Seremban, Negeri Sembilan.

Chinese construction contractors' presence in Kuala Lumpur is getting more noticeable recently. For instance, earlier this year, China Huashi Enterprises Co., Ltd. (中國華西企業有限公司) has partnered with local integrated property developer M101 Group by financing MYR50 million in the M101 Skywheel, of which it is also the main subcontractor.

There are signs that new Chinese developers are beginning to enter Kuala Lumpur's property market in a more direct manner. For instance, China Vanke Co Ltd (萬科企業股份有限公司) has recently won the tender for a 7.4 acre land in Jalan Raja Chulan, which is at the heart of the city. This was done through a locally incorporated company — Malola Garden City Sdn Bhd, which was incorporated this year. It is said that the developer had plans to build six towers with over 4,000 serviced apartments on the site.

Market outlook

The property market in Malaysia as well as in Kuala Lumpur has been relatively sluggish in recent years, due to the global economic slowdown, a downturn in the oil and gas industry, political scandal, as well as oversupply of properties. This has resulted in high vacancy rates persisting for office and retail space in non-prime areas, and low take-up rates for newly launched luxury residences.

Overall, Malaysia has a good economic foundation. It has proven to be a resilient economy in the past, and it is expected to continue being so in the future. The government is proactive in encouraging foreign investments but at the same time, trying to protect the well-being of its people. As it stands now, there seems to be a clear enough separation in terms of the property types targeted and can be afforded by the locals and the foreigners. Hence, a certain degree of stability can be expected in the regulations pertaining foreign investment in real estate.

Although there is an oversupply issue in certain segments of the property market, Malaysia's open policy for foreign investments will serve it well in helping to absorb the excess supply. The Belt and Road Initiative has given rise to multiple large scale infrastructure development projects. Although these projects may not have an immediate positive impact on Kuala Lumpur's real estate industry, it is argued that the development will enhance the country's competitiveness and appeal as a whole, with the capital city being the key beneficiary. In conclusion, despite short term hurdles, Kuala Lumpur's real estate industry is competitive regionally and should be considered for its long term potential, which will be unlocked as development takes place.

Chuang's China Investments Limited
(莊 士 中 國 投 資 有 限 公 司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 298)

11 January 2018

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
THE SALE AND PURCHASE OF THE ENTIRE EQUITY INTEREST IN,
AND THE ASSIGNMENT OF SHAREHOLDER'S LOAN TO,
WINFRED INVESTMENT LIMITED**

We refer to the circular of Chuang's China Investments Limited to its shareholders dated 11 January 2018 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board as the members of the Independent Board Committee to consider the Proposed Transaction, being a connected transaction, pursuant to the terms and conditions of the Sale and Purchase Agreement, and to advise the Independent Shareholders as to whether, in our opinion, such terms are fair and reasonable so far as the Company and the Independent Shareholders are concerned and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

Halcyon Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Transaction.

We would like to draw your attention to the letter from the Board set out on pages 5 to 17 of the Circular which contains, among other things, information on the Proposed Transaction and the letter from the Independent Financial Adviser set out on pages 25 to 45 of the Circular which contains its advice in respect of the Proposed Transaction. Your attention is also drawn to the additional information set out in the Circular.

Having taken into account the principal factors and reasons underlying the Proposed Transaction as well as the advice of the Independent Financial Adviser as set out herein, we consider the terms and conditions of the Sale and Purchase Agreement to be fair and reasonable, on normal commercial terms, and the entering into of the Sale and Purchase Agreement is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Proposed Transaction, the Sale and Purchase Agreement and the transactions contemplated thereunder to be proposed at the SGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee
Andrew Fan Chun Wah **Eddy Li Sau Hung**
Independent Non-Executive Directors

The following is the full text of the letter of advice from Halcyon Capital to the Independent Board Committee and the Independent Shareholders which has been prepared for the purpose of inclusion in this circular.

HALCYON 鎧盛

HALCYON CAPITAL LIMITED
11TH FLOOR
8 WYNDHAM STREET
CENTRAL
HONG KONG

11 January 2018

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE SALE AND PURCHASE OF THE ENTIRE EQUITY INTEREST IN, AND THE ASSIGNMENT OF SHAREHOLDER'S LOAN TO, WINFRED INVESTMENT LIMITED

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in a circular of the Company (the "**Circular**") to the Shareholders dated 11 January 2018, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Pursuant to the Sale and Purchase Agreement, CCIL conditionally agreed to sell or procure the sale of, and the Company conditionally agreed to purchase or procure the purchase of, the Sale Shares and the Sale Loan at a consideration of not more than MYR175 million (equivalent to approximately HK$336 million), subject to adjustments. The Sale Shares shall represent the entire issued share capital of the Central Plaza Holdco at Completion and the Sale Loan shall represent the entire amount of the shareholder's loan owed by the Central Plaza Holdco to its shareholder at Completion.

Central Plaza Holdco, through its wholly-owned subsidiary, is engaged in investment holding and property investment in Malaysia and its major asset is the property known as Central Plaza located within the city centre commercial zone of Kuala Lumpur.

Since CCIL was interested in approximately 60.7% of the issued share capital of the Company (through Profit Stability Investments Limited, a direct wholly-owned subsidiary of CCIL) as at the Latest Practicable Date, CCIL is a connected person of the Company pursuant to Rules 14A.07(1) of the Listing Rules. By virtue of the aforesaid relationship, the Proposed Transaction constitutes a connected transaction for the Company under Rule 14A.25 of the Listing Rules.

The Independent Board Committee, comprising Mr. Andrew Fan Chun Wah and Dr. Eddy Li Sau Hung, being the only independent non-executive Directors who are not also serving CCIL as independent non-executive director, has been formed to advise the Independent Shareholders as to whether the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and on normal commercial terms, and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole and how the Independent Shareholders should vote at the SGM.

Our role, as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, is to (i) provide the Independent Board Committee and the Independent Shareholders an independent opinion and recommendation as to whether the Sale and Purchase Agreement is entered into on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole, and whether the terms thereof are fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) advise the Independent Shareholders on how to vote at the SGM.

Except for being appointed as the independent financial adviser to the then independent board committee and independent shareholders of the Company for two separate engagements (details of which have been set out in the section headed "Opinion from the Independent Financial Adviser" in the announcement of the Company dated 19 January 2017 and in the letter from the independent financial adviser contained in the circular of the Company dated 8 March 2017), there were no other engagement between the Group and Halcyon Capital in last two years from the date of this letter. Given our independent role and normal professional fee was received, we consider that such relationship will not affect our independence as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder.

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the information, financial information and the facts supplied to us and representations expressed by the Directors and/or management of the Group and have assumed that all such information, financial information and facts and any representations made to us, or referred to in the Circular, in all material aspects, are true, accurate and complete as at the time they were made and continue to be so as at the date of the Circular, has been properly extracted from the relevant underlying accounting records (in the case of financial information) and made after due and careful inquiry by the Directors and/or the management of the Group. The management of the Group has confirmed that, after having made all reasonable enquiries and to the best of their knowledge and belief, all relevant information has been supplied to us and that no material facts have been omitted from the information supplied and representations expressed to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable. We have no reason to doubt the completeness, truth or accuracy of the information and facts provided and we are not aware of any facts or circumstances which would render such information provided and representations made to us untrue, inaccurate or misleading.

Our review and analysis were based upon, among others, the information provided by the Group including the Sale and Purchase Agreement, the annual report of the Company for the year ended 31 March 2017 (the "**2017 Annual Report**"), the interim report of the Company for the six months ended 30 September 2017 (the "**2017/8 Interim Report**"), the valuation report in relation to Central Plaza (the "**Valuation Report**"), the accountant's report on the Central Plaza Group for the three years ended 31 March 2017 and six months ended 30 September 2017 (the "**Accountant's Report**"), the Circular, and certain published information from the public domain.

We have also discussed with the Directors and/or the management of the Group with respect to the terms of and reasons for the entering into of the Sale and Purchase Agreement and considered that we have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted an independent verification or appraisal of the information nor have we conducted any form of in-depth investigation into the businesses, affairs, financial position, profitability or the prospects of the Group, CCIL, the Central Plaza Group, Central Plaza or any of their respective subsidiaries or associates. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy the shares or any other securities of the Company or CCIL.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion for the Sale and Purchase Agreement and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

1. Information on the Group

1.1 Principal business

The Company is an investment holding company, and its subsidiaries are principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of goods and merchandises, including watch components and art pieces, and securities investment and trading.

During the year ended 31 March 2017, the Group has continued to manage its overseas investment property portfolio and has acquired an office property located in the United Kingdom in November 2016 and a cemetery business in the PRC in March 2017. According to the 2017/8 Interim Report, the Group will adhere to its strategy of focusing on property development in first tier cities as well as to further diversify to other businesses or properties with steady income. The Group will continue to seek appropriate investment opportunities, further expand the Group's sources of revenue, enhance the Group's profitability, and maximise return for its Shareholders. Geographically, the Group will seek for opportunities not only in Hong Kong, the PRC and the United Kingdom but will also expand to other developed countries.

As at 30 September 2017, the Group was interested in three investment properties located in the PRC and the United Kingdom. For the year ended 31 March 2017, the rental and management fee income of the Group increased by approximately 61.3% to approximately HK$30.8 million, which was principally contributed by the additional rental income generated from the office property acquired by the Group in the United Kingdom in November 2016. Going forward, as stated in the 2017 Annual Report, it is expected that the Group's revenue will be mainly derived from rental income and management fees, sales of goods and merchandises and securities investment and trading for the year ending 31 March 2018.

1.2 Financial highlights

(i) Financial performance

Set out below is the summary of key financial information of the Group for the two years ended 31 March 2017 and six months ended 30 September 2016 and 2017 as extracted from the 2017 Annual Report and 2017/8 Interim Report:

	For the year ended 31 March		**For the six months ended 30 September**	
	2016	**2017**	**2016**	**2017**
	HK$'mil	*HK$'mil*	*HK$'mil*	*HK$'mil*
	(audited)	(audited)	(unaudited)	(unaudited)
Revenues and net gain	470	491	432	92
Revenues	*463*	*471*	*424*	*83*
Net gain (Note)	*7*	*20*	*8*	*9*
Cost of sales	(279)	(275)	(253)	(23)
Gross profit	191	216	179	69
Profit before tax	217	1,640	149	102
Taxation	(129)	(192)	(60)	(5)
Profit for the year/period	**88**	**1,448**	**89**	**97**

Note: This represents the net gain of financial assets at fair value through profit or loss by the Group.

For the six months ended 30 September 2017

For the six months ended 30 September 2017, the Group recorded revenues and net gain of approximately HK$91.7 million, as compared to approximately HK$432.2 million in the corresponding period in 2016, and profit attributable to the Shareholders of approximately HK$96.4 million, as compared to approximately HK$87.7 million in the corresponding period in 2016. According to the 2017/8 Interim Report, the decrease in revenues and net gain was principally driven by the decrease in revenue derived from the sales of development properties from approximately HK$391.8 million for the six months ended 30 September 2016 to approximately HK$28.0 million for the six months ended 30 September 2017 as a result of slowdown in flow of property development projects available for sales. Such decrease in revenue was partially offset by the increase in revenue driven from all other segments.

Despite the substantial decrease in revenue, the Group still managed to record increased in profit for the period from approximately HK$89.3 million for the six months ended 30 September 2016 to approximately HK$96.8 million for the six months ended 30 September 2017.

For the year ended 31 March 2017

For the year ended 31 March 2017, the Group recorded revenue of approximately HK$491.3 million, as compared to approximately HK$470.0 million in the corresponding period in 2016, and profit attributable to the Shareholders of approximately HK$1,452.0 million, as compared to approximately HK$85.0 million in the corresponding period in 2016. According to the 2017 Annual Report, the increase in revenue was principally attributable to the increases in revenue derived from both rental and management fee income and securities investment and trading income from approximately HK$19.1 million and HK$9.4 million, respectively, for the year ended 31 March 2016 to approximately HK$30.8 million and HK$51.3 million, respectively, for the year ended 31 March 2017, and partially offset by the decrease in the sales of development properties from approximately HK$440.5 million for the year ended 31 March 2016 to approximately HK$408.3 million for the year ended 31 March 2017.

The profit for the year increased by approximately HK$1,360.2 million from approximately HK$88.1 million for the year ended 31 March 2016 to approximately HK$1,448.3 million for the year ended 31 March 2017.

(ii) Segmental revenue and net gain and profit

Set out below is the analysis of segmental revenue and net gain and net profit or loss attributable to each segment of the Group for each of the two years ended 31 March 2017 and six months ended 30 September 2016 and 2017 as extracted from the 2017 Annual Report and 2017/8 Interim Report:

	For the year ended 31 March				For the six months ended 30 September			
	2016		2017		2016		2017	
	HK$' mil	*% of total*	*HK$' mil*	*% of total*	*HK$' mil*	*% of total*	*HK$' mil*	*% of total*
Segmental revenue and net gain								
Property development, investment and trading	459.7	97.8	439.1	89.4	402.2	93.1	51.1	55.7
Cemetery	—	—	—	—	—	—	8.1	8.8
Sales of goods and merchandises	0.9	0.2	0.9	0.2	0.9	0.2	2.2	2.4
Securities investment and trading	9.4	2.0	51.3	10.4	29.1	6.7	30.3	33.1
Total	**470.0**	**100.0**	**491.3**	**100.0**	**432.2**	**100.0**	**91.7**	**100.0**

	For the year ended 31 March		For the six months ended 30 September	
	2016	2017	2016	2017
	HK$' mil	*HK$' mil*	*HK$' mil*	*HK$' mil*
Net profit or (loss) attributable to each segment				
Property development, investment and trading	156.8	1,275.4	106.0	122.3
Cemetery	—	206.5	—	(6.5)
Sales of goods and merchandises	(1.6)	(11.2)	(2.0)	0.1
Securities investment and trading	8.7	52.2	29.0	30.3
Corporate and others	(75.8)	(74.5)	(43.7)	(49.4)
Total	**88.1**	**1,448.4**	**89.3**	**96.8**

As illustrated from the table above, property development, investment and trading segment was the highest revenue and net gain and net profit contributing segment of the Group and contributed approximately 55.7% to 97.8% of the revenue and net gain of the Group during each of the two years ended 31 March 2017 and the six months ended 30 September 2016 and 2017. The property development, investment and trading segment remained to be a major business segment of the Group in terms of both revenue and profit during the year/periods.

(iii) Financial position

As stated in the 2017/8 Interim Report, the Group recorded strong net current assets position of approximately HK$3,111.7 million and net assets of approximately HK$4,202.2 million as at 30 September 2017, which included cash and bank balances of approximately HK$1,074.4 million and financial assets at fair value through profit or loss of approximately HK$704.7 million.

Based on the aforesaid, we are of the view that the Group had accumulated experiences in property investment sector in different countries through its continuous management of its property investment portfolio and exploration of new opportunities aboard, and has maintained a relatively strong financial position during the years.

2. Information on the proposed acquisition target

2.1 Background on the Central Plaza Group and Central Plaza

(i) Principal business

Central Plaza Holdco was incorporated in the Republic of Liberia with limited liability and is an indirect wholly-owned subsidiary of CCIL. Central Plaza Holdco, through its wholly-owned subsidiary, is engaged in investment holding and property investment in Malaysia and its major asset is the property known as Central Plaza.

As set out in the Letter from the Board and the Valuation Report, Central Plaza is built on a freehold land and is a 29-storey high rise office building completed in 1996 and located within the city centre commercial zone of Kuala Lumpur with a total GFA of approximately 382,000 sq. ft.. It comprises of retail and office spaces with total GFA of approximately 254,000 sq. ft. (on total net lettable area basis is approximately 195,000 sq. ft.) and 298 carparking spaces with total GFA of approximately 128,000 sq. ft.. As at 30 November 2017, Central Plaza has an occupancy rate of approximately 71% and is leased to multiple tenants with the latest expiry date of 31 May 2020. Based on the Valuation of MYR175 million (equivalent to approximately HK$336 million) and the monthly rental and other income of approximately MYR875,000 (equivalent to approximately HK$1.7 million) as at 30 November 2017, the gross rental yield of Central Plaza is approximately 6%.

(ii) Financial highlights

Set out below is the summary of key audited consolidated financial information of the Central Plaza Group for the three years ended 31 March 2017 and six months ended 30 September 2016 and 2017 as extracted from the Accountant's Report as set out in Appendix II to the Circular:

	For the year ended 31 March			**For the six months ended 30 September**	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)	(unaudited)	(audited)
Revenue	23,363	20,916	20,814	11,263	9,625
Cost of sales	(11,349)	(10,051)	(9,509)	(4,924)	(4,414)
Gross profit	12,014	10,865	11,305	6,339	5,211
Gross profit margin	*51.4%*	*51.9%*	*54.3%*	*56.3%*	*54.1%*
Profit before taxation	13,657	15,597	4,008	2,363	3,023
Taxation *(Note 1)*	(1,405)	(1,568)	(1,097)	(642)	(543)
Profit for the year/period	**12,252**	**14,029**	**2,911**	**1,721**	**2,480**

	For the year ended 31 March			**For the six months ended 30 September**
	2015	**2016**	**2017**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)	(audited)
Profit for the year/period	12,252	14,029	2,911	2,480
Adjusting for:				
(Gain)/loss on fair value of an investment property	(11,098)	(12,475)	38	(1,298)
Increase/(decrease) in deferred taxation charges on fair value gain *(Note 1)*	555	624	(2)	65
Adjusted profit for the year/period	**1,709**	**2,178**	**2,947**	**1,247**

Notes:

1. The deferred taxation charges on fair value gain was included as part of the taxation charged to the Central Plaza Group for the three years ended 31 March 2017 and the six months ended 30 September 2017.

2. The functional currencies of the Central Plaza Group are HK$ and MYR, and the financial information as set out above are presented in HK$. Therefore, the financial results of the Central Plaza Group are subject to the exchange fluctuation between HK$ and MYR, which was relatively stable for the two years ended 31 March 2017 and the six months ended 30 September 2017.

As illustrated above, the Central Plaza Group recorded revenue of approximately HK$23.4 million, HK$20.9 million, HK$20.8 million and HK$9.6 million for the three years ended 31 March 2017 and six months ended 30 September 2017, respectively, which represented the rental income and management fees of the Central Plaza Group. It is noted that save for the slight loss on fair value of an investment property of approximately HK$38,000 for the year ended 31 March 2017, the Central Plaza Group has recorded gain on fair value change of an investment property since 2015 which amounted to approximately HK$11.1 million and HK$12.5 million for the two years ended 31 March 2016, respectively, and approximately HK$1.3 million for the six months ended 30 September 2017. If the impacts of change in fair value of an investment property and the relevant deferred taxation were being excluded, the Central Plaza Group would still record adjusted net profit of approximately HK$1.7 million, HK$2.2 million, HK$2.9 million and HK$1.2 million during the three years ended 31 March 2017 and the six months ended 30 September 2017, respectively.

For the six months ended 30 September 2017

Revenue of the Central Plaza Group for the six months ended 30 September 2017 decreased by approximately HK$1.6 million to approximately HK$9.6 million compared to the corresponding period in 2016 mainly as a result of expiry of a few leases and slight depreciation of MYR. Change in fair value of an investment property increased from loss on fair value change of an investment property of approximately HK$40,000 for the six months ended 30 September 2016 to gain on fair value change of an investment property of approximately HK$1.3 million for the six months ended 30 September 2017. The Central Plaza Group recorded an increase in profit for the period by approximately 44.1% to approximately HK$2.5 million for the six months ended 30 September 2017 principally due to the improvement in fair value change recognised during the period.

For the year ended 31 March 2017

Revenue of the Central Plaza Group for the year ended 31 March 2017 reduced by approximately 0.5% to approximately HK$20.8 million compared to the corresponding year in 2016, which was mainly due to slight depreciation of MYR. The gross profit and gross profit margin of the Central Plaza Group increased from approximately HK$10.9 million and 51.9%, respectively for the year ended 31 March 2016 to approximately HK$11.3 million and 54.3%, respectively for the year ended 31 March 2017 mainly as a result of the reduced cost of sales. Cost of sales in relation to the Central Plaza was mainly operational expense in association with the generation of rental income.

Despite the increase in gross profit, the profit for the year decreased by approximately HK$11.1 million from approximately HK$14.0 million for the year ended 31 March 2016 to approximately HK$2.9 million for the year ended 31 March 2017 which was principally attributable to the recognition of a slight loss in fair value of an investment property of approximately HK$38,000 for the year ended 31 March 2017 instead of a gain on fair value of an investment property of HK$12.5 million for the year ended 31 March 2016.

For the year ended 31 March 2016

Revenue of the Central Plaza Group for the year ended 31 March 2016 was approximately HK$20.9 million, representing a decrease of approximately 10.5% compared to that of 2015 which was mainly due to the depreciation of MYR. The gross profit of the Central Plaza Group decreased from approximately HK$12.0 million for the year ended 31 March 2015 to approximately HK$10.9 million for the year ended 31 March 2016 mainly as a result of the reduced revenue.

Despite the decrease in gross profit, the profit for the year increased by approximately HK$1.8 million to approximately HK$14.0 million for the year ended 31 March 2016, which was principally attributable to the increases in change in fair value of an investment property of approximately HK$1.4 million.

For the year ended 31 March 2015

Revenue of the Central Plaza Group amounted to approximately HK$23.4 million, which mainly comprised of rental income and management fees from Central Plaza. During the year ended 31 March 2015, change in fair value of an investment property represented fair value gain from Central Plaza which represented approximately 90.6% of the Central Plaza Group's profit for the year ended 31 March 2015. Finance cost mainly represented interest expense charged in respect of its bank borrowing (i.e. the Mortgage Loan). The profit for the year was approximately HK$12.3 million.

Net assets value

Set out below is the breakdown of audited consolidated net assets value of the Central Plaza Group as at 30 September 2017 as extracted from Appendix II to the Circular:

	As at 30 September 2017 *HK$'000*
Non-current assets	320,476
Current assets	6,995
Current liabilities	76,093
Non-current liabilities	145,316

As at 30 September 2017, the Central Plaza Group had audited consolidated net assets of approximately HK$106.1 million, of which approximately HK$64.2 million was the amount due to the immediate holding company of Central Plaza Holdco (i.e. the Sale Loan) and approximately HK$142.1 million was a bank borrowing (i.e. the Mortgage Loan). The Mortgage Loan was secured by Central Plaza and the corporate guarantee given by CCIL.

As at the Latest Practicable Date, Central Plaza is mortgaged to a bank for the Mortgage loan granted to the Central Plaza Group with outstanding amount of approximately MYR76.0 million (equivalent to approximately HK$145.9 million). Currently, the Mortgage Loan carries interest at 4.75% per annum, which is determined by the base lending rate of Malaysia minus 2%. The Mortgage Loan is repayable on the first day of each month with details set out in the Letter from the Board and with maturity date on 1 May 2022.

According to the Valuation Report as set out in Appendix V to the Circular, the market value of Central Plaza as at 30 November 2017 was MYR175 million (equivalent to approximately HK$336 million).

The net cash generated from operating activities (which has already taken into account the finance cost paid) of the Central Plaza Group were approximately HK$7.8 million, HK$2.6 million, HK$3.2 million and HK$1.2 million for the three years ended 31 March 2017 and six months ended 30 September 2017, respectively. The operating cash inflows of the Central Plaza Group is primarily derived from its rental income and management fees, whereas its operating cash outflows mainly includes its operating costs and finance costs paid.

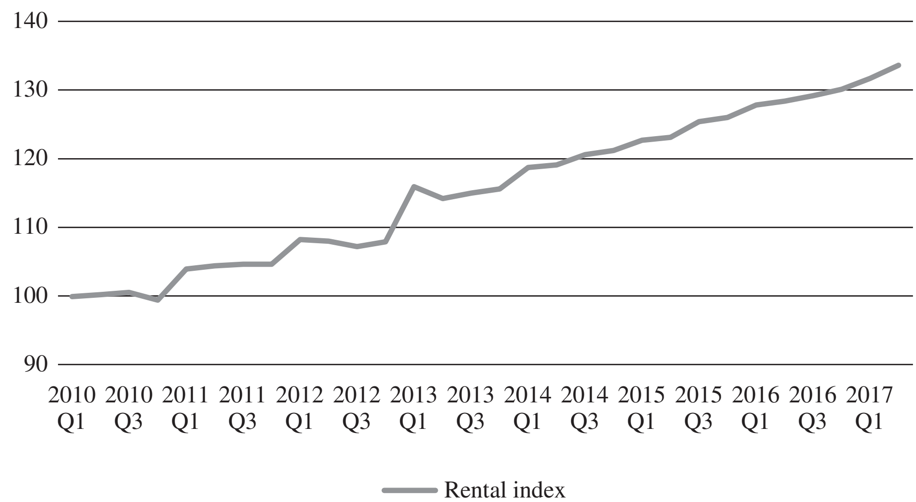
3. General industry outlook on the office properties in Kuala Lumpur

As Central Plaza is an office building located within the city centre commercial zone of Kuala Lumpur, in order to assess the fairness and reasonableness of the Proposed Transaction, we have reviewed the rental index and occupancy rates of purpose-built office (i.e. buildings that are intentionally built with not less than 75% of the net lettable area being used as office) located in city centre of Kuala Lumpur.

3.1 Office properties in Kuala Lumpur

Set out below is the diagram showing the rental index of purpose-built office located in city centre of Kuala Lumpur from first quarter of 2010 to second quarter of 2017:

Rental index of purpose-built office located in city centre of Kuala Lumpur



*Source: National Property Information Centre ("**NPIC**"), a property information center set up and managed by the Valuation and Property Services Department of the Ministry of Finance Malaysia*

As shown above, the rental index of purpose-built office located in city centre of Kuala Lumpur (the "**Rental Index**") has been generally increasing from 99.9 point of first quarter of 2010 to 133.6 point of second quarter of 2017, representing an increase of approximately 33.7%. The compound annual growth rate ("**CAGR**") of the Rental Index was approximately 2.6% during 2014 to 2017, while the Rental Index grew by approximately 4.0% from 128.4 point for the second quarter of 2016 to 133.6 point for the second quarter of 2017. Nevertheless, according to a property market report on Kuala Lumpur issued by NPIC, the occupancy rate and planned supply of purpose-built office in city centre of Kuala Lumpur increased from approximately 80.7% and 245,808 square meters in the first half of 2016 to approximately 83.0% and 546,643 square meters in the first half of 2017, respectively. The planned supply of 546,643 square meters in first half of 2017 represents approximately 8.1% of the existing supply of purpose-built office in city centre of Kuala Lumpur.

3.2 Market outlook of property market in Malaysia

According to the "Overview — China to Malaysia Direct Investment" set out in the Circular, the property market in Malaysia as well as in Kuala Lumpur has been relatively sluggish in recent years, due to the global economic slowdown, a downturn in the oil and gas industry, political scandal, as well as oversupply of properties. This has resulted in high vacancy rates persisting for office and retail space in non-prime areas, and low take-up rates for newly launched luxury residences.

Overall, Malaysia has a good economic foundation. It has proven to be a resilient economy in the past, and it is expected to continue being so in the future. The government is proactive in encouraging foreign investments but at the same time, trying to protect the well-being of its people. As it stands now, there seems to be a clear enough separation in terms of the property types targeted and can be afforded by the locals and the foreigners. Hence, a certain degree of stability can be expected in the regulations pertaining foreign investment in real estate.

Although there is an oversupply issue in certain segments of the property market, Malaysia's open policy for foreign investments will serve it well in helping to absorb the excess supply. The spill-over effect from infrastructure development and the increased collaboration between companies from the PRC and Malaysia under the OBOR will drive demand for housing, and domestic consumption, thus contribute to the economic multiplier effect across industries in Malaysia. Kuala Lumpur being the capital city of Malaysia, it is usually the first choice when multinational corporations are considering to establish a regional hub in the country. As more multinational corporations establish their regional presence in Kuala Lumpur, other positive impacts such as job creation, increased demand for commercial and residential properties, improvement in business and consumer confidence, etc. can be expected. For further information on China to Malaysia direct investment, please refer to "Overview — China to Malaysia Direct Investment" set out in the Circular.

From the above analyses, it is noted that (i) the Rental Index has been generally increasing from first quarter of 2010 to second quarter of 2017 and the occupancy rate of purpose-built office in city centre of Kuala Lumpur has increased from approximately 80.7% in the first half of 2016 to approximately 83.0% in the first half of 2017; and (ii) although the planned supply of 546,643 square meters (representing approximately 8.1% of such existing supply) in first half of 2017 and the Malaysian property market has been in a position of relatively over supply of properties in certain segments of the property market, the spill-over effect from infrastructure development and the increased collaboration between companies from the PRC and Malaysia under the OBOR will drive demand for housing, and domestic consumption, thus contribute to the economic multiplier effect across industries in Malaysia. We therefore concur with the Directors' view that the Proposed Transaction represents an opportunity for the Company to utilise its cash on hand and invest and expand into the Malaysia market which is expected to benefit from the implementation of OBOR by the PRC due to the country's strategic location. Besides benefiting from the aspect of holistic connectivity, the OBOR could contribute to the local economic development of Malaysia.

4. Background and reasons of the Proposed Transaction

As disclosed in the 2017/8 Interim Report, the Group has been in the process of seeking opportunities on investment properties with steady income. In this connection, we understand from the Directors that the Group has identified Central Plaza for acquisition to increase its property investment portfolio and to enhance the Group's capacity in generating stable rental income to the Group. Taking into account the prime location of Central Plaza, which is within the city centre commercial zone of Kuala Lumpur and right next to the landmark Pavilion Shopping Mall in Jalan Sultan Ismail, the heart of central business district and prestigious shopping area of Kuala Lumpur, the Directors consider that the Proposed Transaction is in line with the business strategies and the principal business of the Group. The Group intends to hold Central Plaza for investment purposes and continues to lease Central Plaza for rental income after Completion.

Furthermore, the 2017/8 Interim Report also stated that from the promotion of the OBOR to the development of the Guangdong-Hong Kong-Macao Bay Area, the Group is excited about the macro economic momentum that these policies will bring along. Geographically, the Group will seek for opportunities not only in Hong Kong, the PRC and the United Kingdom but will also expand to other developed countries. As stated in the Letter from the Board, the OBOR refers to the Silk Road Economic Belt and 21st Century Maritime Silk Road, a significant development strategy launched by the PRC government with the intention of promoting economic cooperation among countries along the proposed Belt and Road routes, including Malaysia where Central Plaza is situated. Malaysia is one of the leading active partners in the OBOR. Malaysia will benefit from the implementation of the OBOR by the PRC due to the country's strategic location. Besides benefiting from the aspect of holistic connectivity, the OBOR could contribute to the local economic development of Malaysia. The Board considers that the Proposed Transaction is in line with the aforesaid business strategy and represents an opportunity for the Company to invest and expand into the Malaysian market by acquiring a property in prime location in Kuala Lumpur for investment purpose. In addition to geographical expansion, the acquisition of Central Plaza will increase the Group's property investment portfolio and enhance recurring rental income for the Group.

As attested by a market study conducted by an independent expert, Euromonitor International Limited which is the world's leading independent provider of strategic market research, the Board considered as more companies from the PRC and Malaysia are already exploring opportunities to collaborate under the OBOR, strong flow of Chinese investment is expected to continue as more projects from the OBOR take place. The spill-over effect of increased collaboration from OBOR will drive demand for housing, and domestic consumption, thus contribute to the economic multiplier effect across industries in Malaysia.

With reference to the "Overview — China to Malaysia direct investment" set out in the Circular and for reasons and analyses as set out in the section headed "3. General industry outlook on the office properties in Kuala Lumpur" in this letter, we are of the view that the office properties in Kuala Lumpur has the potential to grow further.

Furthermore, according to the website of Mass Rapid Transit Corporation Sdn Bhd, the developer of the Klang Valley MRT, the 51km MRT Sungai Buloh-Kajang Line (the "**MRT Line**") which begins from Sungai Buloh, located to the north-west of Kuala Lumpur, and runs through the city centre of Kuala Lumpur before ending in Kajang, Phase One of the MRT Line from Sungai Buloh station to Semantan station began operations on 16 December 2016 and Phase Two of the MRT Line from Semantan station to Kajang station (which runs across two monorail stations (Raja Chulan and Bukit Bintang stations) located less than 400 meters away from Central Plaza) started its operation on 17 July 2017. Given the completion of the MRT Line, it is expected that the demand for offices located near those stations will boost. Since Central Plaza has an occupancy rate of approximately 71% as at November 2017, there may still be potential room for the occupancy rate of Central Plaza to increase.

Taking into account of the aforesaid, we concur with the Board that the Proposed Transaction will enhance the property investment portfolio of the Group, is in line with the aforesaid business strategies and represents an opportunity for the Company to invest and expand into the Malaysian market by acquiring a property in prime location in Kuala Lumpur for investment purpose.

5. Principal terms of the Sale and Purchase Agreement

On 7 December 2017, the Company and CCIL entered into the Sale and Purchase Agreement. The principal terms of the Sale and Purchase Agreement are set out in the Letter from the Board and include the following:

5.1 Assets to be acquired

Pursuant to the Sale and Purchase Agreement, CCIL conditionally agreed to sell or procure the sale of, and the Company conditionally agreed to purchase or procure the purchase of, the Sale Shares, representing the entire issued shares in the share capital of Central Plaza Holdco as at the Completion Date, and the Sale Loan, representing the entire amount of the shareholder's loan owed by Central Plaza Holdco to the CCIL Group on the Completion Date.

5.2 The Consideration

As stated in the Letter from the Board, the Consideration of the Proposed Transaction is, subject to adjustments, not more than MYR175 million (equivalent to approximately HK$336 million), and will be paid by the Company to CCIL in cash from the Company's internal resources at Completion, and was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to (i) the consolidated net liabilities of the Central Plaza Group (while excluding Central Plaza from total assets and the Sale Loan from the total liabilities) as at Completion and (ii) the Valuation of Central Plaza (being MYR175 million (equivalent to approximately HK$336 million)). Based on the Accountant's Report as set out in Appendix II to the Circular, as at 30 September 2017, the consolidated net liabilities of the Central Plaza Group (while excluding Central Plaza from total assets and the Sale Loan from the total liabilities) was approximately HK$150.0 million.

Pursuant to the Sale and Purchase Agreement, the Consideration will be adjusted in accordance with the following formula:

Consideration = Valuation of Central Plaza (being MYR175 million (equivalent to approximately HK$336 million)) + Completion NAV

The basis for the above formula has taken into account the Valuation of Central Plaza and the aggregate of all assets (other than Central Plaza) and minus all liabilities (other than the Sale Loan) of the Central Plaza Group as at Completion. In the event the Mortgage Loan of approximately MYR75.8 million (equivalent to approximately HK$145.5 million) is continued to be maintained by the Company upon Completion, it will be included as part of the total liabilities in calculating the Completion NAV and hence it will reduce the Completion NAV by the same amount and has a negative adjustment effect on the Consideration and vice versa.

Meanwhile, we noted from the Accountant's Report on the Central Plaza Group as set out in Appendix II of the Circular, Central Plaza, the Sale Loan and the Mortgage Loan represented the major assets and liabilities of the Central Plaza Group. Assuming the book value of other assets would equal to other liabilities of the Central Plaza Group at Completion, other than the major components as mentioned above, and in the event that the Mortgage Loan is continued to be maintained by the Company upon Completion, the carrying amount of Mortgage Loan at Completion would then represent the Completion NAV and the Consideration at Completion would therefore be expected to be approximately MYR99.2 million (equivalent to approximately HK$190.5 million). For illustrative purpose, based on the latest consolidated financial information of the Central Plaza Group as at 30 September 2017 as set out in Appendix II to the Circular, and taking into account the expected outstanding amount of the Mortgage loan at Completion, the Completion NAV is expected to be a negative value of approximately HK$150.0 million if the Mortgage Loan is to be continued and a negative value of approximately HK$7.8 million if it is repaid. As such, irrespective of whether the Mortgage Loan is to be repaid or not prior to Completion, the Completion NAV is expected to be a negative figure. However, the exact amount of the Consideration can only be determined at the Completion Date subject to the then consolidated financial position of the Central Plaza Group.

As further stated in the Letter from the Board, as the mortgagee bank has indicated that, subject to the execution by the Company of certain loan documentations prior to Completion, the mortgagee bank will agree to maintain the existing Mortgage Loan on Central Plaza granted to the Central Plaza Group notwithstanding Completion, it is expected that at Completion, as mentioned above, the Consideration payable in cash by the Company would be not more than approximately MYR99.2 million (equivalent to approximately HK$190.5 million), and the Central Plaza Group will continue with the Mortgage Loan of approximately MYR75.8 million (equivalent to approximately HK$145.5 million).

In assessing the fairness and reasonableness of the Consideration, we have further obtained and reviewed the Valuation Report of Colliers (the details of which are set out in Appendix V to the Circular). According to such Valuation Report, the Valuation of Central Plaza as at 30 November 2017 was MYR175 million (equivalent to approximately HK$336 million). The Valuation represents an average value of approximately MYR897.4 (equivalent to approximately HK$1,723.0) per sq. ft. of net lettable retail and office area. The Valuation comprises (i) MYR148 million (equivalent to approximately HK$284.2 million) for the net lettable retail and office area, representing an average value of approximately MYR759.0 (equivalent to approximately HK$1,457.3) per sq. ft.; and (ii) MYR27 million (equivalent to approximately HK$51.8 million) for 298 car parks, representing an average value of approximately MYR90,604.0 (equivalent to approximately HK$173,959.7) per car park.

We have reviewed the Valuation Report and discussed with Colliers the methodology of, basis and assumptions adopted for the valuation of the market value of Central Plaza as contained in the Valuation Report. We noted that Colliers has carried out inspection of the exterior and, where possible, the interior of Central Plaza. The Valuation of Central Plaza was conducted by Colliers using market approach, which provides an indication of value by comparing Central Plaza with identical or similar assets for which price information is available. When analysing such sales, adjustments are made by Colliers for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of Central Plaza.

We have been advised by Colliers that for valuation of commercial properties, the above valuation methodologies are commonly adopted in the industry. Based on the above, we consider that the valuation approach adopted by Colliers in performing the Valuation of Central Plaza is appropriate.

We have also enquired into (i) the terms of engagement of Colliers (including its independence) with the Company; (ii) the qualification and experience of Colliers in relation to the valuation of similar property interests in Malaysia and the preparation of the Valuation Report; and (iii) the steps and works taken by Colliers in conducting the Valuation of Central Plaza. From the relevant information provided by Colliers and based on our interview with them, we are satisfied with the terms of engagement of Colliers as well as their qualification and experience for preparation of the Valuation Report. Colliers has also confirmed that they are independent to the Group and the CCIL Group.

During our discussion with Colliers, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal basis and assumptions adopted for or the information used in the Valuation of Central Plaza. Nevertheless, Shareholders should note that valuation of property usually involves assumptions and therefore the Valuation of Central Plaza may or may not reflect the true market value of Central Plaza accurately. Further details of the basis and assumptions of the Valuation of Central Plaza are included in the Valuation Report.

Regardless of whether the Mortgage Loan is to be repaid or not prior to Completion, the Consideration, adjusted in accordance with the formula, equals to the Valuation of Central Plaza plus the Completion NAV, which is the aggregate of all assets (excluding Central Plaza) less the aggregate of all liabilities and provisions (excluding the Sale Loan) of the Central Plaza Group as at Completion. In the event the Mortgage Loan is continued to be maintained by the Company, the Consideration will be reduced by the outstanding amount of the Mortgage Loan which is estimated to be MYR75.8 million (equivalent to HK$145.5 million) at Completion since the Mortgage Loan will form part of the total liabilities in arriving at the Completion NAV. Given the Consideration for the acquisition of the Sale Shares and the Sale Loan will be adjusted in accordance with the abovementioned formula which shall then represent the Valuation of Central Plaza and the aggregate of all assets (other than Central Plaza) and minus all liabilities (other than the Sale Loan) of the Central Plaza Group as at Completion, we are of the view that the formula for adjusting the Consideration is fair and reasonable.

5.3 Conditions precedent

Completion of the Sale and Purchase Agreement is conditional upon the satisfaction (or, if applicable, waiver) of the following conditions:

(a) the passing of necessary resolution(s) by the Independent Shareholders at the SGM approving, authorizing and ratifying the entering into of the Sale and Purchase Agreement by the Company and the performance of all transactions contemplated thereunder;

(b) the representations, warranties, undertakings and indemnities given by the Company and CCIL respectively under the Sale and Purchase Agreement remaining true and accurate in all material respects and not misleading in any material respect; and

(c) all statutory, governmental and regulatory obligations having been complied with and all regulatory, statutory, governmental and third party consents and waivers necessary to give effect to the Completion having been obtained by the Company and CCIL.

Each of the Company and CCIL may waive the condition (b) above in respect of their respective representations, warranties, undertakings and indemnities made by the other party by notice in writing to the other party. According to the Letter from the Board, the Company and CCIL will, as the Proposed Transaction proceeds, exercise its right of waiver in relation to condition (b) according to the then circumstances and in the case of the Company, after taking into account the best interest of the Company and the Shareholders as a whole on the premises that such waiver will not affect the substance of the Proposed Transaction. The remaining conditions are non-waivable. As at the Latest Practicable Date, none of the conditions precedent has been fulfilled or waived.

If any of the conditions precedent of the Sale and Purchase Agreement is not fulfilled (or waived, if applicable) on or before 30 June 2018 (or such other date as agreed by the parties to the Sale and Purchase Agreement), the rights and obligations of the parties under the Sale and Purchase Agreement shall lapse and be of no further effect.

5.4 Other terms

CCIL and the Company will endeavour to secure the consent of the mortgagee bank of the Central Plaza Group to maintain the Mortgage Loan notwithstanding Completion on terms acceptable to the Company. In the event such consent is not obtained by 31 January 2018 (or such other date as the parties to the Sale and Purchase Agreement may agree in writing), CCIL shall procure the repayment of the Mortgage Loan prior to Completion.

In this respect, the mortgagee bank has indicated that, subject to the execution by the Company of certain loan documentations prior to Completion, the mortgagee bank will agree to maintain the existing Mortgage Loan on Central Plaza granted to the Central Plaza Group notwithstanding Completion. As stated in the Letter from the Board, as the terms are acceptable to the Company, after Completion, the Company will provide guarantee in respect of the obligations and liabilities of the Central Plaza Group under the Mortgage Loan.

5.5 Completion

Completion will take place on the third Business Day after the last outstanding condition precedent of the Sale and Purchase Agreement has been fulfilled (or waived, as the case may be), or such other date as the parties to the Sale and Purchase Agreement may agree in writing. On the Completion Date, transfer of the Sale Shares and the Sale Loan from the CCIL Group to the Group will be effected.

6. Financial effects of the Proposed Transaction

The following financial effects of the Proposed Transaction are prepared based on the assumption that the Mortgage Loan would be continued on terms acceptable to the Company.

6.1 Earnings

Upon Completion, the results of the Central Plaza Group will be consolidated into the income statement of the Group. Given the Central Plaza Group was profit-making and recorded positive adjusted net profit after excluding the impact of change in fair value of an investment property and deferred taxation charges on fair value gain for the year ended 31 March 2017, if Completion had taken place on 1 April 2016, the Group would have taken up the earnings of the Central Plaza Group for the year ended 31 March 2017.

6.2 Assets and liabilities

According to the 2017/8 Interim Report, the total assets and total liabilities of the Group were approximately HK$6,666.6 million and HK$2,464.3 million, respectively, as at 30 September 2017.

According to the unaudited pro forma financial information of the Group as set out in Appendix IV to the Circular, if the Proposed Transaction was completed on 30 September 2017, the total assets and liabilities of the Group would have increased to approximately HK$6,820.8 million and HK$2,621.6 million, respectively. The increases were primarily attributable to the consolidation of the assets and liabilities of the Central Plaza Group and partially offset by the cash expected to be paid out by the Group to settle the Consideration and the transaction costs borne by the Group in relation to the Proposed Transaction. Given the Proposed Transaction will be financed by the Group's internal resources and the Consideration represents the Valuation of Central Plaza and the aggregate of all assets (other than Central Plaza) and minus all liabilities (other than the Sale Loan) of the Central Plaza Group as at Completion, save for the transaction costs to be borne by the Group in respect of the Proposed Transaction, which could not be capitalised by the Group, the Proposed Transaction would not affect the Group's net assets. Hence, the Group's net asset value is expected to be reduced by the extent up to the total amount of the relevant transaction costs.

6.3 Gearing

As at 30 September 2017, the bank borrowings of the Group amounted to approximately HK$1,452.9 million and the total equity of the Group amounted to approximately HK$4,202.2 million, resulting in a gearing ratio (being the total bank borrowings divided by total equity of the Group) of approximately 0.35.

Assuming the Proposed Transaction had completed on 30 September 2017 and the Mortgage Loan will be continued on terms acceptable to the Company, it is expected that gearing ratio would have been slightly increased to approximately 0.38, primarily as a result of the consolidation of the Mortgage Loan.

6.4 Working capital

Based on the 2017/8 Interim Report, the Group had cash and bank balance of approximately HK$1,074.4 million as at 30 September 2017.

According to the unaudited pro forma financial information of the Group as set out in Appendix IV to the Circular, it is expected that the cash level of the Group would be reduced by approximately HK$170.6 million as a result of the completion of the Proposed Transaction which principally comprises (i) the cash consideration payable by the Group in the Consideration of MYR175 million less the net liabilities value (excluding the carrying values of Central Plaza and the Sale Loan) as at 30 September 2017; (ii) the cash and bank balances of the Central Plaza Group to be transferred to the Group of approximately HK$6.3 million; and (iii) the aggregate of the transaction costs to be borne by the Group in relation to the Proposed Transaction of approximately HK$3.0 million. Assuming that Completion took place on 30 September 2017, the cash level of the Group would have been reduced to approximately HK$903.8 million.

RECOMMENDATION

Having considered the principal factors and reasons as discussed above, which, in particular, include (i) the Proposed Transaction will enhance the property investment portfolio of the Group, is in line with the business strategies of the Group and will enable the Group to generate stable rental income; (ii) the Consideration represents the Valuation of Central Plaza and the aggregate of all assets (other than Central Plaza) and minus all liabilities (other than the Sale Loan) of the Central Plaza Group as at Completion; (iii) the implementation of the OBOR may potentially drive the demand for housing, and domestic consumption in Malaysia; and (iv) the positive historical financial performance of the Central Plaza Group with which the Central Plaza Group was profit making and recorded positive adjusted net profit and positive operating cash flows during the three years ended 31 March 2017 and six months ended 30 September 2017, we consider that (i) the principal business as carried out by the Central Plaza Group, being property investment, is one of the principal businesses of the Group; (ii) the terms of the Sale and Purchase Agreement are on normal commercial terms; and (iii) the terms of the Sale and Purchase Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned and the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise (i) the Independent Board Committee to recommend the Independent Shareholders and (ii) the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Proposed Transaction.

Yours faithfully,
For and on behalf of
Halcyon Capital Limited

Derek C.O. Chan	**April Chan**
Chairman	*Director*

Mr. Chan is a licensed person registered with the Securities and Futures Commission and a responsible officer of Halcyon Capital, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities. Mr. Chan has participated in the provision of independent financial advisory services for various transactions involving companies listed on the Stock Exchange.

Ms. Chan is a licensed person registered with the Securities and Futures Commission and a responsible officer of Halcyon Capital, which is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities. Ms. Chan has participated in the provision of independent financial advisory services for various transactions involving companies listed on the Stock Exchange.

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 March 2015, 2016 and 2017 are disclosed in the annual reports of the Company for the financial years ended 31 March 2015 (pages 71 to 144), 31 March 2016 (pages 68 to 144), and 31 March 2017 (pages 88 to 173) and the unaudited consolidated financial statements of the Group for the six months ended 30 September 2017 are disclosed in the interim report of the Company for the period ended 30 September 2017 (pages 24 to 44), respectively, and are incorporated by reference into this circular.

The said annual reports and interim report of the Company are available on the Company's website at www.chuangs-china.com and website of the Stock Exchange at www.hkexnews.hk through the links below:

http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0727/LTN20150727493.pdf

http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0727/LTN20160727457.PDF

http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0725/LTN20170725211.pdf

http://www.hkexnews.hk/listedco/listconews/SEHK/2017/1212/LTN20171212277.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2017, being the Latest Practicable Date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had aggregate outstanding borrowings of approximately HK$1,817.8 million, comprising bank borrowings of approximately HK$1,606.8 million of which approximately HK$1,414.8 million was secured by fixed charges on certain assets of the Enlarged Group, including investment properties, properties for sale and financial assets at fair value through profit or loss with an aggregate carrying value of approximately HK$2,356.0 million, and unsecured borrowings from non-controlling shareholders of approximately HK$28.9 million, unsecured amount due to a fellow subsidiary of approximately HK$118.1 million as well as unsecured amount due to the immediate holding company of the Central Plaza Group of approximately HK$64.0 million. The amount due to the immediate holding company of the Central Plaza Group will be eliminated at the Enlarged Group upon Completion.

As at 30 November 2017, the Enlarged Group provided guarantees of approximately HK$342.1 million to banks for mortgage loans made by the banks to the purchasers of properties sold by the Enlarged Group in the PRC.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 30 November 2017, the Enlarged Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse changes in the financial or trading position or prospects of the Group since 31 March 2017 (being the date which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Enlarged Group, including the internally generated funds and the currently available facilities, and the effects of the Proposed Transaction, and in the absence of unforeseen circumstances, the Enlarged Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Group holds a portfolio of investment properties in Dongguan, Panyu and Anshan, the PRC, as well as in London, the United Kingdom. The Group will further identify investment opportunities on investment properties for steady recurring rental income:

In Xiamen, the Group owns 59.5% interests in the Xiamen Mingjia (廈門佲家) which comprises a 6-storey hotel building with 100 guest-rooms (gross area of 9,780 sq. m.) and 30 villas (aggregate GFA of about 9,376 sq. m.). Discussions on leasing of the remaining 21 villas are in progress.

In Guangzhou, Chuang's Le Papillon has residential properties and carparks available for sale of about RMB167.8 million (equivalent to approximately HK$198.5 million). For the remaining development (Phase III), the Group will closely follow-up with the relevant PRC authorities for the land quota of the remaining 51,700 sq. m.. The Group will commence preparatory works on the development of about 114,300 sq. m., and will also explore other options (including disposal) to accelerate capital return on investment in this project.

In Dongguan, the Group owns a site area of about 20,000 sq. m. in the city centre of Changan (長安), Dongguan, on which an industrial building with GFA of about 39,081 sq. m. was erected. With the rezoning of this site to ''residential usage'', the Group will closely monitor the requisite procedures and strategize on the optimal timing for the usage conversion application.

In Anshan, the Group holds the second site located in the prime city centre of Tie Dong Qu (鐵東區). To capitalize on the rising prices of land, the Group will identify suitable options, including disposal, to accelerate capital return on this investment.

In Tuen Mun, building plans of the development project have been approved. Foundation works are completed, and superstructure works have commenced. Soft marketing will be launched shortly and presales are planned to commence in the first quarter of 2018.

In Sihui, the Group will closely follow-up on the additional land quota for about 23.4 mu and the relevant procedures for the grant of land. As for the balance of 197.8 mu, the Group shall intensively follow-up with the local authorities to allocate land quota for the grant of land use rights. In addition, the Group will liaise with the local authorities for land resumption in respect of the remaining 347.8 mu.

On securities investments, the Group holds a portfolio of high yield bonds with an annualized average yield of 7%. In general, bond prices and interest rates will carry an inverse relationship, i.e. if interest rates rise, the price of bonds tends to fall. Also, for the second half of the financial year ending 31 March 2018, one of the bonds held by the Group will be called by the bond issuer at a price below the market value as at 30 September 2017. If and when these happen, the high interest income will be offset by the effects of increase in interest rates and early redemption. The Group intends to continue investing in high yield bonds, which is a great tool to generate steady income stream, and will monitor the performance of the portfolio from time to time.

The Group will continue to seek investment opportunities, further expand the Group's sources of revenue, enhance the Group's profitability, and maximize return for its Shareholders.

Furthermore, it is expected that the Group will be able to record additional rental income from the Central Plaza Group upon Completion.

6. VALUATION RECONCILIATION STATEMENT

Colliers, the independent valuer, has valued the property interests to be acquired by the Group as of 30 November 2017. Texts of its letter and valuation certificate issued by the independent valuer are included in Appendix V to this circular.

The table below sets forth the reconciliation of the net book value of the property interests to be acquired by the Group as of 30 September 2017 as set out in Appendix II to this circular, to the market value of the property interests to be acquired by the Group as at 30 November 2017 as included in the valuation report in Appendix V to this circular.

	MYR'000	*HK$'000* *(Note)*
Net book value of property interests to be acquired by the Group as of 30 September 2017	173,000	332,160
Valuation surplus	2,000	3,840
Market value of property interests as of 30 November 2017 as set out in the valuation report in Appendix V to this circular	175,000	336,000

Note: Exchange rate of MYR1.00 = HK$1.92 is used for this valuation reconciliation statement.

The following is the text of a report, set out on pages II-1 to II-3 received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF CHUANG'S CHINA INVESTMENTS LIMITED

Introduction

We report on the historical financial information of Winfred Investment Limited (the "**Central Plaza Holdco**") and its subsidiary (together, the "**Central Plaza Group**") set out on pages II-4 to II-37, which comprises the consolidated and company balance sheets as at 31 March 2015, 2016 and 2017 and 30 September 2017, and the consolidated statements of comprehensive income, cash flows and changes in equity for each of the periods then ended (the "**Track Record Period**") and a summary of significant accounting policies and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information set out on pages II-4 to II-37 forms an integral part of this report, which has been prepared for inclusion in the circular of Chuang's China Investments Limited (the "**Company**") dated 11 January 2018 (the "**Circular**") in connection with the proposed acquisition of the entire equity interest in the Central Plaza Holdco by the Company (the "**Proposed Transaction**").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation set out in Note 2(a) to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The consolidated financial statements of the Central Plaza Group for the Track Record Period (the "**Underlying Financial Statements**"), on which the Historical Financial Information is based, were prepared by the directors of the Company based on the previously issued financial statements and management accounts of the Central Plaza Holdco and its subsidiary for the Track Record Period. The directors of the respective companies are responsible for the preparation of the respective companies' financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), as appropriate, and for such internal control as the directors determine is necessary to enable the preparation of respective companies' financial statements that are free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the HKICPA. This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2(a) to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Central Plaza Holdco and the consolidated financial position of the Central Plaza Group as at 31 March 2015, 2016 and 2017 and 30 September 2017 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2(a) to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Central Plaza Group which comprises the consolidated statements of comprehensive income, cash flows and changes in equity for the six months ended 30 September 2016 and other explanatory information (the "**Stub Period Comparative Financial Information**"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2(a) to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2(a) to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 11 January 2018

I HISTORICAL FINANCIAL INFORMATION OF THE CENTRAL PLAZA GROUP

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The Underlying Financial Statements, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars (HK$) and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		For the year ended 31 March			For the six months ended 30 September	
		2015	2016	2017	2016	2017
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Revenues	*5*	23,363	20,916	20,814	11,263	9,625
Cost of sales		(11,349)	(10,051)	(9,509)	(4,924)	(4,414)
Gross profit		12,014	10,865	11,305	6,339	5,211
Other income, net	*6*	131	254	269	81	190
Administrative and other operating expenses		(787)	(512)	(576)	(322)	(320)
Change in fair value of an investment property	*11*	11,098	12,475	(38)	(40)	1,298
Operating profit	*7*	22,456	23,082	10,960	6,058	6,379
Finance costs	*9*	(8,799)	(7,485)	(6,952)	(3,695)	(3,356)
Profit before taxation		13,657	15,597	4,008	2,363	3,023
Taxation	*10*	(1,405)	(1,568)	(1,097)	(642)	(543)
Profit for the year/period		12,252	14,029	2,911	1,721	2,480
Other comprehensive income:						
Item that may be reclassified subsequently to profit and loss:						
Net exchange differences		(25,016)	(9,828)	(20,253)	(9,111)	8,930
Other comprehensive (loss)/income for the year/period		(25,016)	(9,828)	(20,253)	(9,111)	8,930
Total comprehensive (loss)/income for the year/period		(12,764)	4,201	(17,342)	(7,390)	11,410

CONSOLIDATED BALANCE SHEETS

	Note	As at 31 March 2015 HK$'000	As at 31 March 2016 HK$'000	As at 31 March 2017 HK$'000	As at 30 September 2017 HK$'000
Non-current assets					
Investment property	*11*	344,652	339,150	302,342	320,188
Plant and equipment	*12*	183	282	210	288
Deferred taxation assets	*19*	2,273	1,178	—	—
		347,108	340,610	302,552	320,476
Current assets					
Debtors and prepayments	*14*	1,207	1,265	1,150	703
Cash and bank balances	*15*	7,554	8,736	8,074	6,292
		8,761	10,001	9,224	6,995
Current liabilities					
Creditors and accruals	*16*	8,536	8,214	7,576	6,629
Amount due to the immediate holding company	*17*	64,172	64,218	64,916	64,166
Current portion of long-term bank borrowing	*18*	—	3,944	4,219	4,812
Taxation payable		—	—	—	486
		72,708	76,376	76,711	76,093
Net current liabilities		(63,947)	(66,375)	(67,487)	(69,098)
Total assets less current liabilities		283,161	274,235	235,065	251,378
Non-current liabilities					
Long-term bank borrowing	*18*	167,104	153,800	132,890	137,329
Deferred taxation liabilities	*19*	8,264	8,441	7,523	7,987
		175,368	162,241	140,413	145,316
Net assets		107,793	111,994	94,652	106,062
Equity					
Share capital	*20*	—	—	—	—
Reserves		107,793	111,994	94,652	106,062
Shareholder's funds		107,793	111,994	94,652	106,062

BALANCE SHEETS OF THE CENTRAL PLAZA HOLDCO

		As at 31 March			As at 30 September
		2015	2016	2017	2017
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Investment in a subsidiary	*13*	15,000	15,000	15,000	15,000
Amount due from a subsidiary	*13*	50,174	50,216	50,911	50,158
		65,174	65,216	65,911	65,158
Current liabilities					
Accrual		—	—	1	1
Amount due to the immediate holding company	*17*	64,172	64,218	64,916	64,166
		64,172	64,218	64,917	64,167
Net current liabilities		(64,172)	(64,218)	(64,917)	(64,167)
Net assets		1,002	998	994	991
Equity					
Share capital	*20*	—	—	—	—
Retained profits	*21*	1,002	998	994	991
Shareholder's funds		1,002	998	994	991

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the year ended 31 March			For the six months ended 30 September	
	2015	2016	2017	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Cash flows from operating activities					
Profit before taxation	13,657	15,597	4,008	2,363	3,023
Interest income from bank deposits	(131)	(254)	(269)	(81)	(193)
Depreciation	173	76	70	41	43
Loss on disposal of plant and equipment	—	—	—	—	3
Finance costs	8,799	7,485	6,952	3,695	3,356
Change in fair value of an investment property	(11,098)	(12,475)	38	40	(1,298)
Operating profit before working capital changes	11,400	10,429	10,799	6,058	4,934
Decrease/(increase) in debtors and prepayments	2,945	(178)	(76)	202	552
Increase/(decrease) in creditors and accruals	2,295	(148)	(534)	(770)	(924)
Cash from operations	16,640	10,103	10,189	5,490	4,562
Finance costs paid	(8,799)	(7,485)	(6,952)	(3,695)	(3,356)
Net cash from operating activities	7,841	2,618	3,237	1,795	1,206
Cash flows from investing activities					
Interest income from bank deposits received	131	254	269	81	193
Additions to an investment property	(461)	(994)	(38)	(40)	(525)
Purchase of plant and equipment	(104)	(183)	(26)	(17)	(112)
(Increase)/decrease in bank deposits maturing more than three months from date of placement	(23)	(4,676)	(460)	(521)	2,534
Net cash (used in)/from investing activities	(457)	(5,599)	(255)	(497)	2,090

	For the year ended 31 March			For the six months ended 30 September	
	2015	2016	2017	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Cash flows from financing activities					
New bank borrowing	16,850	—	—	—	—
Repayment of bank borrowing	—	—	(3,679)	(1,534)	(2,187)
(Decrease)/increase in amount due to the immediate holding company	(18,605)	46	698	277	(750)
Net cash (used in)/from financing activities	(1,755)	46	(2,981)	(1,257)	(2,937)
Net increase/(decrease) in cash and cash equivalents	5,629	(2,935)	1	41	359
Cash and cash equivalents at the beginning of the year/period	2,193	7,011	3,432	3,432	2,906
Exchange difference on cash and cash equivalents	(811)	(644)	(527)	(272)	158
Cash and cash equivalents at the end of the year/period	7,011	3,432	2,906	3,201	3,423
Analysis of cash and cash equivalents					
Cash and bank balances	7,554	8,736	8,074	8,756	6,292
Bank deposits maturing more than three months from date of placement	(543)	(5,304)	(5,168)	(5,555)	(2,869)
Cash and cash equivalents	7,011	3,432	2,906	3,201	3,423

Reconciliation of liabilities arising from financing activities

	As at 1 April 2017	Cash flows	Non-cash changes		As at 30 September 2017
			Foreign exchange movement	Reclassification	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Current portion of long-term bank borrowing	4,219	(2,187)	228	2,552	4,812
Long-term bank borrowing	132,890	—	6,991	(2,552)	137,329
Amount due to the immediate holding company	64,916	(750)	—	—	64,166
	202,025	(2,937)	7,219	—	206,307

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital *HK$'000*	Exchange reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
At 1 April 2014	—	(86,186)	206,743	120,557
Profit for the year	—	—	12,252	12,252
Other comprehensive loss				
Net exchange differences	—	(25,016)	—	(25,016)
Total comprehensive (loss)/income for the year	—	(25,016)	12,252	(12,764)
At 31 March 2015	—	(111,202)	218,995	107,793
Profit for the year	—	—	14,029	14,029
Other comprehensive loss				
Net exchange differences	—	(9,828)	—	(9,828)
Total comprehensive (loss)/income for the year	—	(9,828)	14,029	4,201
At 31 March 2016	—	(121,030)	233,024	111,994
Profit for the year	—	—	2,911	2,911
Other comprehensive loss				
Net exchange differences	—	(20,253)	—	(20,253)
Total comprehensive (loss)/income for the year	—	(20,253)	2,911	(17,342)
At 31 March 2017	—	(141,283)	235,935	94,652

	Share capital *HK$'000*	Exchange reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
At 31 March 2017	—	(141,283)	235,935	94,652
Profit for the period	—	—	2,480	2,480
Other comprehensive income				
Net exchange differences	—	8,930	—	8,930
Total comprehensive income for the period	—	8,930	2,480	11,410
At 30 September 2017	—	(132,353)	238,415	106,062
At 1 April 2016	—	(121,030)	233,024	111,994
Profit for the period (unaudited)	—	—	1,721	1,721
Other comprehensive loss				
Net exchange differences (unaudited)	—	(9,111)	—	(9,111)
Total comprehensive (loss)/ income for the period (unaudited)	—	(9,111)	1,721	(7,390)
At 30 September 2016 (unaudited)	—	(130,141)	234,745	104,604

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF THE CENTRAL PLAZA GROUP

1 General information

Winfred Investment Limited (the ''Central Plaza Holdco'') and its subsidiary (collectively as the ''Central Plaza Group'') are principally engaged in property investment and thus there is only one single segment. The Central Plaza Holdco is a limited liability company incorporated in the Republic of Liberia. The address of its registered office is at 80 Broad Street, Monrovia, Liberia and its principal place of business is at Room 1605, 16th Floor, Central Plaza, No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

The Historical Financial Information of the Central Plaza Group is presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

2 Summary of significant accounting policies

The significant accounting policies adopted for the preparation of the Historical Financial Information of the Central Plaza Group are set out below, which have been consistently applied to the Track Record Period, unless otherwise stated, and they are consistent with the group accounting policies of Chuang's China Investments Limited (the ''Company'').

(a) Basis of preparation

(i) The Historical Financial Information of the Central Plaza Group has been prepared under the historical cost convention, as modified by the revaluation of investment property at fair value, and in accordance with all applicable Hong Kong Financial Reporting Standards (''HKFRSs'') issued by the Hong Kong Institute of Certified Public Accountants.

The preparation of the Historical Financial Information of the Central Plaza Group in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Central Plaza Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information of the Central Plaza Group are disclosed in note 4.

New standards, amendments to standards and new interpretations adopted

New standards, amendments to standards and new interpretations that are effective during the Track Record Period have been adopted by the Central Plaza Group at their respective effective dates. The adoption of these new standards, amendments to standards and new interpretations has no significant impact on the Central Plaza Group's results and financial positions.

Amendment to standard that is not yet effective but has been early adopted

The following amendment to standard was early adopted by the Central Plaza Group from 1 April 2017:

HKAS 40 (Amendment)	Investment Property — Transfers of Investment Property

The amendment to HKAS 40 clarified that, to transfer to or from, investment properties, there must be a change in use. A change in use would involve (a) an assessment of whether a property meets the definition of investment property; and (b) supporting evidence that a change in use has occurred. The amendment also re-characterised the list of circumstances in the standard as a non-exhaustive list of examples. The Central Plaza Group considers that the revised standard better reflects the intended use of the property of the Central Plaza

Group, and has early adopted the amended standard. There was no significant impact to the Central Plaza Group as a result of the adoption of the amended standard for the Track Record Period.

New standards, amendment to standard and new interpretations that are not yet effective

The following new standards, amendment to standard and new interpretations have been published which are relevant to the Central Plaza Group's operations but not yet effective and have not yet been early adopted by the Central Plaza Group:

HKFRS 9	Financial Instruments (effective from 1 January 2018)
HKFRS 15	Revenue from Contracts with Customers (effective from 1 January 2018)
HKFRS 15 (Amendment)	Clarifications to HKFRS 15 (effective from 1 January 2018)
HKFRS 16	Leases (effective from 1 January 2019)
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration (effective from 1 January 2018)
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments (effective from 1 January 2019)

Key developments of these new standards, amendment to standard and new interpretations which may have an impact to the Central Plaza Group's accounting policies and presentation of the consolidated financial statements are described below:

HKFRS 15 will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. HKFRS 15 is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The Central Plaza Group anticipates that it would not have a significant impact on its results of operations and financial position.

HKFRS 9 introduces a new model for the recognition of impairment losses — the expected credit losses ("ECL") model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. HKFRS 9 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Central Plaza Group anticipates that it would not have a significant impact on its results of operations and financial position, except it may result in an earlier recognition of credit losses.

The Central Plaza Group will adopt the above new standards, amendment to standard and new interpretations as and when they become effective. None of these is expected to have a significant impact on its results of operation and financial positions.

(ii) At 31 March 2015, 2016 and 2017 and 30 September 2017, the Central Plaza Group had net current liabilities of approximately HK$63,947,000, HK$66,375,000, HK$67,487,000 and HK$69,098,000 respectively. The Central Plaza Holdco had net current liabilities of approximately HK$64,172,000, HK$64,218,000, HK$64,917,000 and HK$64,167,000 at 31 March 2015, 2016 and 2017 and 30 September 2017 respectively. Chuang's Consortium International Limited ("CCIL") has confirmed its intention to provide sufficient financial support to the Central Plaza Group and the Central Plaza Holdco so as to enable the Central Plaza Group and the Central Plaza Holdco to meet all their liabilities and obligations as and when they fall due and to enable the Central Plaza Group and the Central Plaza Holdco to continue their businesses for twelve months after the respective years ended 31 March 2015, 2016 and 2017 and the period ended 30 September 2017 respectively if the Proposed Transaction is not completed, and to the completion date if the Proposed Transaction is completed. The Company has also confirmed its intention to provide sufficient financial support to the Central Plaza Group and the Central Plaza Holdco so as to enable the Central Plaza Group and the Central Plaza Holdco to meet all their liabilities and obligations as and when they fall due and to enable the Central Plaza Group and the Central Plaza Holdco to continue their businesses from the completion date of the Proposed Transaction up to twelve months after the year ended 31 March 2017 and the period ended 30 September 2017 respectively if the Proposed Transaction is completed. Consequently, the Historical Financial Information of the Central Plaza Group has been prepared on a going concern basis.

(b) Consolidation

The Historical Financial Information of the Central Plaza Group includes the financial statements of the Central Plaza Holdco and its subsidiary made up to the end of the respective Track Record Period.

(c) Subsidiary

A subsidiary is an entity (including a structured entity) over which the Central Plaza Holdco has control. The Central Plaza Holdco controls an entity when the Central Plaza Holdco is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiary is fully consolidated from the date on which control is transferred to the Central Plaza Group and is de-consolidated from the date that control ceases.

Investment in a subsidiary is carried at cost less impairment losses. The result of the subsidiary is accounted for by the Central Plaza Holdco on the basis of dividend received and receivable.

Impairment testing of the investment in a subsidiary is required upon receiving a dividend from the investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(d) Investment property

A property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Central Plaza Group, is classified as an investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on valuation carried out by a professional valuer who holds recognized and relevant professional qualifications and has recent experience in the location and category of the investment property being valued. The valuation forms the basis of the carrying amount in the Historical Financial Information of the Central Plaza Group. The fair value of investment property reflects the market values of comparable properties which have been recently transacted, adjusted for any qualitative differences that may affect the price such as location, floor area, quality and the finishes of the building and other related factors.

Subsequent expenditure is capitalized to the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Central Plaza Group and the cost can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statements of comprehensive income during the financial period in which they are incurred. Change in fair value of an investment property is recognized in the consolidated statements of comprehensive income.

(e) Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Central Plaza Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance costs are expensed in the consolidated statements of comprehensive income during the financial period in which they are incurred.

Depreciation of plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives at the following annual rates:

Leasehold improvement, furniture and fixtures	10% to 30%
Plant and machinery	20%

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each reporting date. Where the estimated recoverable amounts have declined below their carrying amounts, the carrying amounts are written down to their estimated recoverable amounts.

Gain or loss on disposal is determined as the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognized in the consolidated statements of comprehensive income.

(f) Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables are carried at amortized cost using effective interest method.

The Central Plaza Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(g) Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. If collection of trade debtors is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, which is established when there is objective evidence that the Central Plaza Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered as indicators that the receivable is impaired. The amount of the provision is recognized in the consolidated statements of comprehensive income.

(h) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the fair value of an asset less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating-units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Creditors and accruals

Creditors and accruals are obligations to pay for goods or merchandise or services that have been acquired in the ordinary course of business from suppliers. Creditors and accruals are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Creditors and accruals are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(j) Provisions

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(k) Share capital

Ordinary shares are classified as equity.

(l) Borrowing

Borrowing is recognized initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial liability, including fees and commissions to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowing is subsequently stated at amortized cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognized in the consolidated statements of comprehensive income over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facilities will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowing is classified as current liabilities unless the Central Plaza Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(m) Current and deferred taxation

The tax expenses for the Track Record Period comprise current and deferred taxes. Tax is recognized in the consolidated statements of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Central Plaza Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be payable to the tax authorities.

Deferred taxation is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information of the Central Plaza Group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred taxation assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred taxation liabilities are provided on taxable temporary differences arising from investments in a subsidiary, except for deferred taxation liability where the timing of the reversal of the temporary difference is controlled by the Central Plaza Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred taxation assets are recognized on deductible temporary differences arising from investments in a subsidiary only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred taxation assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxation assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(n) Revenue and income recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services performed, stated net of sales taxes, returns, rebates and discounts, allowance for credit and other revenue reducing factors. The Central Plaza Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Central Plaza Group's activities as described below. The Central Plaza Group bases its estimates on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(i) Rental income, net of incentives given to lessees, is recognized on a straight-line basis over the period of the respective leases.

(ii) Management fee income are recognized when the services are rendered.

(iii) Interest income is recognized on a time proportion basis, using the effective interest method, taking into account the principal amounts outstanding and the interest rates applicable.

(o) Borrowing costs

Interest and related costs on borrowings attributable to the construction or acquisition of an asset that necessarily takes a substantial period of time to complete and prepare for its intended use or sale are capitalized as part of the cost of their assets. All other borrowing costs are charged to the consolidated statements of comprehensive income in the financial period in which they are incurred.

(p) Employee benefits

Contributions to defined contribution retirement schemes such as the Employees Provident Fund in Malaysia are charged to the consolidated statements of comprehensive income in the financial period to which the contributions relate. The Central Plaza Group has no further payment obligations once the contributions have been paid.

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick and maternity leaves are not recognized until the time of leaves.

Provisions for bonus entitlements are recognized when the Central Plaza Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Such bonuses are payable within twelve months from the reporting date.

(q) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and deposits with bank with maturity within three months from the date of placement.

(r) Translation of foreign currencies

Transactions included in the Historical Financial Information of the Central Plaza Group are measured using the currency of the primary economic environment in which the Central Plaza Group operates (the ''functional currency''). The functional currency of the Central Plaza Holdco and the subsidiary is Hong Kong dollars and Malaysian Ringgit respectively. The Historical Financial Information of the Central Plaza Group is presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the reporting date are recognized in the consolidated statements of comprehensive income.

The results and financial position of all entities in the Central Plaza Group which has a functional currency different from the presentation currency in the Historical Financial Information are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the rate of exchange ruling at the reporting date;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and

(iii) all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

3 Financial risk management

(a) Financial risk factors

The activities of the Central Plaza Group expose it to a variety of financial risks including credit risk, liquidity risk, cash flow interest rate risk and foreign exchange risk. The overall risk management programme of the Central Plaza Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Central Plaza Group.

Financial risk management is carried out by the finance department under policies approved by the board of directors. The board of directors provides principles for overall risk management, as well as written policies covering specific areas.

(i) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset after deducting any impairment provision in the consolidated balance sheets. The Central Plaza Group's exposure to credit risk is primarily attributable to debtors and deposits with banks. The Central Plaza Group has credit policies in place and exposure to credit risk is monitored on an ongoing basis.

The Central Plaza Group's exposure to credit risk arising from debtors is set out in note 14.

The Central Plaza Group manages its deposits with banks by monitoring credit ratings and only places deposits with banks with no history of defaults.

In respect of credit exposure to customers, rentals in respect of investment property are payable in advance by tenants in accordance with the lease agreements. The Central Plaza Group has policies in place to ensure that rental deposits are required from tenants prior to commencement of leases.

In addition, the Central Plaza Group has other monitoring procedures to ensure that follow up action is taken to recover overdue debts. The Central Plaza Group reviews regularly the recoverable amount of each individual debtor to ensure that adequate impairment provision are made for irrecoverable amounts. The Central Plaza Group has no significant concentrations of credit risk as the customers are widely dispersed.

(ii) Liquidity risk

Liquidity risk is the risk that the Central Plaza Group is unable to meet its current obligations when they fall due. The Central Plaza Group has put in place a policy of obtaining long-term bank facilities to match its long-term investments. Apart from the bank borrowing, the Central Plaza Group obtains interest free funding from its immediate holding company for financing its operations.

The Central Plaza Holdco and the Central Plaza Group have obtained confirmation from CCIL that it will provide sufficient financial support to the Central Plaza Holdco and the Central Plaza Group so as to enable the Central Plaza Holdco and the Central Plaza Group to meet all their liabilities and obligations as and when they fall due and to enable the Central Plaza Holdco and the Central Plaza Group to continue their businesses for twelve months after the respective years ended 31 March 2015, 2016 and 2017 and the period ended 30 September 2017 respectively if the Proposed Transaction is not completed, and to the completion date if the Proposed Transaction is completed. The Central Plaza Holdco and the Central Plaza Group have also obtained confirmation from the Company that it will provide sufficient financial support to the Central Plaza Holdco and the Central Plaza Group so as to enable the Central Plaza Holdco and the Central Plaza Group to meet all their liabilities and obligations as and when they fall due and to enable the Central Plaza Holdco and the Central Plaza Group to continue their businesses from the completion date up to twelve months after the year ended 31 March 2017 and the period ended 30 September 2017 if the Proposed Transaction is completed.

The tables below analyses the Central Plaza Group's and the Central Plaza Holdco's financial liabilities that will be settled in relevant maturity groupings based on the remaining period at the respective reporting date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows including interest payment.

Central Plaza Group

	Within the first year	**Within the second year**	**Within the third to fifth years**	**After the fifth year**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2015					
Creditors and accruals	8,536	—	—	—	8,536
Amount due to the immediate holding company	64,172	—	—	—	64,172
Bank borrowing	8,105	12,181	39,842	159,401	219,529
	80,813	12,181	39,842	159,401	292,237
31 March 2016					
Creditors and accruals	8,214	—	—	—	8,214
Amount due to the immediate holding company	64,218	—	—	—	64,218
Bank borrowing	11,499	12,077	38,932	137,074	199,582
	83,931	12,077	38,932	137,074	272,014
31 March 2017					
Creditors and accruals	7,576	—	—	—	7,576
Amount due to the immediate holding company	64,916	—	—	—	64,916
Bank borrowing	10,631	11,289	38,352	106,768	167,040
	83,123	11,289	38,352	106,768	239,532
30 September 2017					
Creditors and accruals	6,629	—	—	—	6,629
Amount due to the immediate holding company	64,166	—	—	—	64,166
Bank borrowing	11,450	11,943	146,938	—	170,331
	82,245	11,943	146,938	—	241,126

Central Plaza Holdco

	Within the first year *HK$'000*
31 March 2015	
Amount due to the immediate holding company	64,172
31 March 2016	
Amount due to the immediate holding company	64,218
31 March 2017	
Accrual	1
Amount due to the immediate holding company	64,916
	64,917
30 September 2017	
Accrual	1
Amount due to the immediate holding company	64,166
	64,167

(iii) Cash flow interest rate risk

Interest rate risk is the risk that the position of the Central Plaza Group may be adversely affected by the changes in market interest rate. The policy of the Central Plaza Group involves close monitoring of interest rate movements and replacing and entering into new banking facilities when favourable pricing opportunities arise.

The interest rate risk of the Central Plaza Group mainly arises from interest-bearing bank deposits and bank borrowing. Bank deposits and bank borrowing issued at variable rates expose the Central Plaza Group to cash flow interest rate risk. The Central Plaza Group currently does not have any interest rate hedging policy in relation to interest rate risk. The board of directors monitors the Central Plaza Group's exposure on an ongoing basis and will consider hedging interest rate risk should the need arise.

As at 31 March 2015, 2016 and 2017 and 30 September 2017, if interest rates had been 0.5% higher/lower with all other variables held constant, the profit before taxation of the Central Plaza Group would have decreased/increased by approximately HK$883,000, HK$770,000, HK$727,000 and HK$353,000 respectively.

(iv) Foreign exchange risk

Foreign exchange risk arises on monetary assets and liabilities being denominated in a currency that is not the functional currency; differences resulting from the translation of financial statements into the presentation currency of the Central Plaza Group are not taken into consideration.

The Central Plaza Group mainly operates in Malaysia. It has no significant foreign exchange risk due to limited foreign currency transactions other than the functional currencies of the respective entities.

(b) Capital risk management

The Central Plaza Group's objectives when managing capital are to safeguard the Central Plaza Group's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital structure to reduce the cost of capital.

The Central Plaza Group monitors capital on the basis of the gearing ratio. The gearing ratio is calculated as a percentage of bank borrowing over total assets of the Central Plaza Group. The gearing ratio as at 31 March 2015, 2016 and 2017 and 30 September 2017 were 47.0%, 45.0%, 44.0% and 43.4% respectively.

(c) Fair value estimation

The fair value of long-term bank borrowing is estimated using the expected future payments discounted at market interest rates. The carrying value of the long-term bank borrowing approximates its fair value since it is floating interest rate borrowing.

The carrying values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, including debtors, cash and bank balances, creditors and accruals, amount due to the immediate holding company and current portion of long-term bank borrowing approximate their fair values.

The investment property is measured within level 3 of the fair value hierarchy and disclosed in note 11.

(d) Financial instruments by category

Central Plaza Group

	Assets			
	Loans and receivables			
	As at 31 March			As at 30 September
	2015	**2016**	**2017**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Debtors and prepayments excluding prepayments	542	598	520	518
Cash and bank balances	7,554	8,736	8,074	6,292
	8,096	9,334	8,594	6,810

	Liabilities			
	Financial liabilities at amortized cost			
	As at 31 March			As at 30 September
	2015	**2016**	**2017**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Creditors and accruals	8,536	8,214	7,576	6,629
Amount due to the immediate holding company	64,172	64,218	64,916	64,166
Bank borrowing	167,104	157,744	137,109	142,141
	239,812	230,176	209,601	212,936

Central Plaza Holdco

	Assets			
	Loan and receivable			
		As at 31 March		As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount due from a subsidiary	50,174	50,216	50,911	50,158

	Liabilities			
	Financial liabilities at amortized cost			
		As at 31 March		As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Accrual	—	—	1	1
Amount due to the immediate holding company	64,172	64,218	64,916	64,166
	64,172	64,218	64,917	64,167

4 Critical accounting estimates and judgments

Estimates and judgments used in preparing the Historical Financial Information of the Central Plaza Group are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Central Plaza Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant effect on the carrying values of assets and liabilities are discussed below:

(a) Estimate of fair value of an investment property

The valuation of investment property is performed in accordance with "Manual of Valuation Standards" issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia. Details of the judgment and assumptions have been disclosed in note 11.

(b) Impairment of receivables

The Central Plaza Group assesses the carrying values of receivables based on the evaluation of collectabilities and aging analysis of receivables, and management's judgment regarding the creditworthiness and the past collection history of each customer. Provision for doubtful debts is made by reference to the estimates of the extent and timing of future cash flows using applicable discount rates. The final outcome of the recoverability and cash flows of these receivables will impact the amount of impairment required.

(c) Income tax and deferred tax

The Central Plaza Group is subject to income tax and deferred tax including Real Property Gains Tax, mainly in Malaysia. Significant judgment is required in determining the provision for taxation for each entity of the Central Plaza Group. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these estimates is different from the amounts that are initially recorded, such differences will impact the current and deferred taxation in the financial period in which such determination is made.

Deferred taxation asset relating to tax losses are recognized when management considers to be probable that future taxation profit will be available against which the tax losses can be utilized. The outcome of their actual utilization may be different.

5 Revenues

Revenues recognized during the Track Record Period are as follows:

	For the year ended 31 March			For the six months ended 30 September	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Rental income and management fee income	23,363	20,916	20,814	11,263	9,625

6 Other income, net

	For the year ended 31 March			For the six months ended 30 September	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interest income from bank deposits	131	254	269	81	193
Loss on disposal of plant and equipment	—	—	—	—	(3)
	131	254	269	81	190

7 Operating profit

Operating profit is stated after charging the following:

	For the year ended 31 March			For the six months ended 30 September	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditor's remuneration to other auditor	55	46	50	26	25
Depreciation	173	76	70	41	43
Utilities	3,882	3,169	2,911	1,627	1,423
Quit rent	2,133	1,828	1,723	921	765
Repair and maintenance	1,429	1,598	1,465	654	573
Management fee to a fellow subsidiary	1,110	924	993	460	602
Staff costs					
Wages and salaries	986	1,103	945	464	415
Retirement benefit costs	104	109	99	52	47

Note: Cost of sales mainly comprised of utilities, quit rent, repair and maintenance and certain staff costs.

8 Benefits and interests of directors

(a) Directors' emoluments

(i) During the Track Record Period, there were no emoluments, retirement benefits, payments or benefits paid or receivable in respect of a person's services as a director, and director's other services in connection with the management of the affairs of the Central Plaza Holdco and its subsidiary undertaking.

(ii) During the Track Record Period, no emoluments, retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors, nor are any payable. No consideration was provided to or receivable by third parties for making available directors' services.

(iii) There are no loans, quasi-loan or other dealings in favour of directors, their controlled bodies corporate and connected entities.

(b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Central Plaza Group's business to which the Central Plaza Holdco was a party and in which a director of the Central Plaza Holdco had a material interest, whether directly or indirectly, subsisted at the end of the respective Track Record Period or at any time during the Track Record Period.

9 Finance costs

	For the year ended 31 March			For the six months ended 30 September	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interest expenses on bank borrowing	8,799	7,485	6,952	3,695	3,356

10 Taxation

	For the year ended 31 March			For the six months ended 30 September	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Malaysia corporate income tax	—	—	—	—	478
Deferred taxation *(Note 19)*	1,405	1,568	1,097	642	65
	1,405	1,568	1,097	642	543

For the years ended 31 March 2015, 2016 and 2017 and six months ended 30 September 2016, no provision for Malaysia corporate income tax were made as the Central Plaza Group had sufficient tax losses brought forward to set off against the estimated assessable profits for these years and period. For the six months ended 30 September 2017, Malaysia corporate income tax had been provided at the rate of 24% on the estimated assessable profits for that period.

The taxation on the Central Plaza Group's profit before taxation differs from the theoretical amount that would arise using the applicable taxation rates of Malaysia as follows:

	For the year ended 31 March			For the six months ended 30 September	
	2015	2016	2017	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit before taxation	13,657	15,597	4,008	2,363	3,023
Tax charge at 25% in 2015 and 24% in 2016 and 2017 *(Note a)*	3,414	3,743	962	567	726
Expenses not deductible for taxation purpose	211	111	128	67	64
Changes in taxation rate *(Note a)*	—	84	—	—	—
Effect of different taxation rate with Real Property Gains Tax *(Note b)*	(2,220)	(2,370)	7	8	(247)
Taxation	1,405	1,568	1,097	642	543

Notes:

(a) Statutory taxation rate of corporate income tax in Malaysia changed from 25% in 2015 to 24% in 2016 onwards. As such, taxation charge of approximately HK$84,000 was recognized as a result of reduction in deferred tax assets arising from tax losses previously recognized at 25%.

(b) Real Property Gains Tax is charged at 5% on gain on disposal of property located in Malaysia held for more than 5 years.

11 Investment property

	As at 31 March			As at 30 September	
	2015	2016	2017	2016	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At the beginning of the year/ period	380,528	344,652	339,150	339,150	302,342
Additions	461	994	38	40 [(i)]	525
Changes in fair value	11,098	12,475	(38)	(40)[(i)]	1,298
Changes in exchange rates	(47,435)	(18,971)	(36,808)	(16,598)[(i)]	16,023
At the end of the year/period	344,652	339,150	302,342	322,552 [(i)]	320,188

[(i)] *unaudited*

Notes:

(a)

	For the year ended 31 March			For the six months ended 30 September	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Outgoings in respect of an investment property					
Direct operating expenses of an investment property that generate rental income	8,862	8,048	7,400	3,969	3,349
Direct operating expenses of an investment property that did not generate rental income	2,487	2,003	2,109	955	1,065

(b) The investment property is a completed commercial property in Malaysia and was revalued at 31 March 2015, 2016 and 2017 and 30 September 2016 and 2017 respectively on an open market value basis by VPC Alliance (KL) Sdn. Bhd., an independent professional property valuer.

(c) The investment property was pledged to secure the bank borrowing of the Central Plaza Group as at 31 March 2015, 2016 and 2017 and 30 September 2017 respectively (note 18).

(d) Valuation processes of the Central Plaza Group

The Central Plaza Group's investment property was revalued at 31 March 2015, 2016 and 2017 and 30 September 2016 and 2017 respectively by an independent professional valuer who holds recognized relevant professional qualifications and has recent experience in the location and segment of the investment property valued. The investment property's current use is the highest and best use.

The Central Plaza Group's finance department and property department review the valuations performed by the independent valuer for financial reporting purposes and report directly to the senior management of the Central Plaza Group. Discussions of the valuation processes and results arc held between the management and valuer at least once every six months. The finance department and property department:

— verify all major inputs to the independent valuation reports;
— assess property valuations movements when compared to the prior period valuation reports; and
— hold discussions with the independent valuer,

(e) Valuation technique

Fair value of the investment property is derived using the direct comparison method. Direct comparison method is comparing the property to be valued directly with other comparable properties, which have been recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments such as location, floor area, quality and the finishes of the building and other related factors are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

There were no changes to the valuation technique during the Track Record Period.

(f) Significant unobservable inputs used to determine fair value

Comparable selling prices are considered by the valuer and take into account significant unobservable inputs, including adjustments in terms of location, floor area, quality and the finishes of building and other related factors. The following table summarizes the range of comparable selling prices considered by the valuer in the Historical Financial Information:

	As at 31 March			**As at 30 September**	
	2015	**2016**	**2017**	**2016**	**2017**
				(unaudited)	
Comparable selling prices *(per sq. ft.)*	MYR649–MYR961	MYR895–MYR1,400	MYR813–MYR895	MYR895–MYR1,400	MYR788–MYR1,323

The lower the comparable selling prices, the lower the fair value.

12 Plant and equipment

	Leasehold improvement, furniture and fixtures	**Plant and machinery**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Cost			
At 1 April 2014	482	777	1,259
Additions	104	—	104
Changes in exchange rates	(68)	(95)	(163)
At 31 March 2015	518	682	1,200
Additions	148	35	183
Changes in exchange rates	(26)	(38)	(64)
At 31 March 2016	640	679	1,319
Additions	26	—	26
Changes in exchange rates	(71)	(73)	(144)
At 31 March 2017	595	606	1,201
Additions	112	—	112
Disposal	(5)	—	(5)
Changes in exchange rates	34	32	66
At 30 September 2017	736	638	1,374

	Leasehold improvement, furniture and fixtures	Plant and machinery	Total
	HK$'000	*HK$'000*	*HK$'000*
Accumulated depreciation			
At 1 April 2014	343	637	980
Charge for the year	49	124	173
Changes in exchange rates	(46)	(90)	(136)
At 31 March 2015	346	671	1,017
Charge for the year	65	11	76
Changes in exchange rates	(19)	(37)	(56)
At 31 March 2016	392	645	1,037
Charge for the year	61	9	70
Changes in exchange rates	(46)	(70)	(116)
At 31 March 2017	407	584	991
Charge for the period	40	3	43
Disposal	(2)	—	(2)
Changes in exchange rates	23	31	54
At 30 September 2017	468	618	1,086
Net book value			
At 31 March 2015	172	11	183
At 31 March 2016	248	34	282
At 31 March 2017	188	22	210
At 30 September 2017	268	20	288

13 Investment in a subsidiary and amount due from a subsidiary

	As at 31 March			As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Investment in a subsidiary, at cost	15,000	15,000	15,000	15,000

The subsidiary has 5,000,000 shares with total value of MYR5,000,000 in issue and are fully paid.

	As at 31 March			As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount due from a subsidiary	50,174	50,216	50,911	50,158

The amount due from a subsidiary is denominated in Hong Kong dollar, unsecured, interest free and receivable on demand. The amount will not be receivable within next twelve months from the end of the respective Track Record Period.

Particulars of the subsidiary as at 31 March 2015, 2016 and 2017 and 30 September 2017 are as follows:

Name	Place of incorporation	Parentage of equity held	Principal activity
Chuang's Properties (Central Plaza) Sdn. Bhd.	Malaysia	100%	Property investment

14 Debtors and prepayments

	As at 31 March			As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade debtors	445	344	302	425
Prepayments	665	667	630	185
Deposits and other receivables	97	254	218	93
	1,207	1,265	1,150	703

Rental income and management fee income are received in advance.

The aging analysis of the trade debtors based on the dates of invoices is as follows:

	As at 31 March			As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Below 30 days	307	276	132	314
31 to 60 days	11	54	65	56
61 to 90 days	127	14	2	55
Over 90 days	—	—	103	—
	445	344	302	425

All the trade debtors above were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. No credit period was granted to the trade debtors and accordingly, the aging analysis is the same as the one shown above.

The maximum exposure to credit risk at the respective reporting date is the carrying values of each class of receivables mentioned above. Debtors and prepayments are denominated in Malaysian Ringgit.

15 Cash and bank balances

	As at 31 March			As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash at bank and in hand	2,094	1,795	1,540	2,128
Short-term deposits maturing within three months from date of placement	4,917	1,637	1,366	1,295
Cash and cash equivalents	7,011	3,432	2,906	3,423
Short-term deposits maturing more than three months from date of placement	543	5,304	5,168	2,869
	7,554	8,736	8,074	6,292

As at 31 March 2015, 2016 and 2017 and 30 September 2017, the effective interest rates on short-term deposits ranged from 2.4% to 3.5%, 2.2% to 4.4%, 2.9% to 6.9% and 2.9% to 4.1% per annum respectively and these deposits had maturities ranging from 13 to 365 days, 12 to 366 days, 30 to 365 days and 90 to 365 days respectively.

Cash and bank balance were mainly denominated in Malaysian Ringgit.

16 Creditors and accruals

	As at 31 March			As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade creditors	514	785	797	398
Other creditors and accrued expenses	1,498	1,351	1,275	1,039
Tenants' deposits	6,524	6,078	5,504	5,192
	8,536	8,214	7,576	6,629

The aging analysis of the trade creditors based on the dates of suppliers' invoices is as follows:

	As at 31 March			As at 30 September
	2015	2016	2017	2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Below 30 days	369	624	666	352
31 to 60 days	91	61	4	4
Over 60 days	54	100	127	42
	514	785	797	398

Creditors and accruals are denominated in Malaysian Ringgit.

17 Amount due to the immediate holding company

The amount due to the immediate holding company is unsecured, interest free and repayable on demand. The amount is denominated in Hong Kong dollar.

18 Long-term bank borrowing

	As at 31 March			As at 30 September
	2015	**2016**	**2017**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Secured long-term bank borrowing	167,104	157,744	137,109	142,141
Current portion included in current liabilities				
Portion due within one year	—	(3,944)	(4,219)	(4,812)
Non-current portion	167,104	153,800	132,890	137,329

As at 31 March 2015, 2016 and 2017 and 30 September 2017, the bank borrowing was secured by the investment property (note 11) and an assignment of rental income thereon. It was also secured by the corporate guarantee given by CCIL. The bank borrowing was denominated in Malaysian Ringgit with effective interest rates at the reporting date of approximately 4.85%, 4.85%, 4.75% and 4.75% per annum as at 31 March 2015, 2016 and 2017 and 30 September 2017 respectively. The carrying amount of bank borrowing approximates its fair value and is within level 2 of the fair value hierarchy.

The bank borrowing is repayable in the following periods based on the agreed scheduled repayment dates set out in the loan agreement:

	As at 31 March			As at 30 September
	2015	**2016**	**2017**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within the first year	—	3,944	4,219	4,812
Within the second year	4,178	4,732	5,098	5,552
Within the third to fifth years	17,337	18,534	21,444	131,777
After the fifth year	145,589	130,534	106,348	—
Total	167,104	157,744	137,109	142,141

As at 31 March 2015, 2016 and 2017 and 30 September 2017, the exposure of the bank borrowing to interest rate change and the contractual repricing date were less than six months.

19 Deferred taxation

The movements in deferred taxation assets and liabilities of the Central Plaza Group (prior to offsetting of balances within the same taxation jurisdiction) during the Track Record Period are as follows:

	Deferred taxation assets			Deferred taxation liabilities
	Tax losses	Accelerated tax depreciation and others	Total	Fair value gains
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2014	3,115	348	3,463	(8,838)
Changes in exchange rates	(330)	(10)	(340)	1,129
Charged to the consolidated statement of comprehensive income *(Note 10)*	(509)	(341)	(850)	(555)
At 31 March 2015	2,276	(3)	2,273	(8,264)
Changes in exchange rates	(150)	(1)	(151)	447
Charged to the consolidated statement of comprehensive income *(Note 10)*	(914)	(30)	(944)	(624)
At 31 March 2016	1,212	(34)	1,178	(8,441)
Changes in exchange rates	(82)	3	(79)	916
(Charged)/credited to the consolidated statement of comprehensive income *(Note 10)*	(1,130)	31	(1,099)	2
At 31 March 2017	—	—	—	(7,523)
Changes in exchange rates	—	—	—	(399)
Charged to the consolidated statement of comprehensive income *(Note 10)*	—	—	—	(65)
At 30 September 2017	—	—	—	(7,987)

Deferred taxation liabilities have been provided in full on temporary differences under the liability method using the applicable tax rates of Real Property Gains Tax prevailing in Malaysia and are expected to be settled after more than twelve months from the end of the respective Track Record Period.

There was no unprovided deferred taxation at the end of the respective Track Record Period.

20 Share capital

	As at 31 March			As at 30 September
	2015	2016	2017	2017
	HK$	*HK$*	*HK$*	*HK$*
Issued:				
2 shares without par value	—	—	—	—

21 Reserves movements of the Central Plaza Holdco

	Retained profits
	HK$'000
At 1 April 2014	1,006
Total comprehensive loss for the year	(4)
At 31 March 2015	1,002
Total comprehensive loss for the year	(4)
At 31 March 2016	998
Total comprehensive loss for the year	(4)
At 31 March 2017	994
Total comprehensive loss for the period	(3)
At 30 September 2017	991

22 Operating lease rental receivables

The lease terms are between 1 to 3 years, and the majority of the lease agreements are renewable at the end of the lease period at market rent. Tenants are required to place deposits equivalent of 3 months' rent to the Central Plaza Group. There is no turnover rent for the leases.

The future aggregate minimum lease rental income under non-cancellable operating leases in respect of the investment property are receivable in the following periods:

	As at 31 March			**As at 30 September**
	2015	**2016**	**2017**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within the first year	15,736	17,309	14,174	12,574
Within the second to fifth years	12,862	16,053	11,782	6,864
	28,598	33,362	25,956	19,438

23 Related party transactions

(a) The Central Plaza Group undertook the following transactions with a fellow subsidiary during the Track Record Period:

	For the year ended 31 March			**For the six months ended 30 September**	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Management fee to a fellow subsidiary *(Note i)*	1,110	924	993	460	602
Rental income from a fellow subsidiary *(Note ii)*	298	273	249	130	124

Notes:

(i) The Central Plaza Group paid management fee to a fellow subsidiary for management services rendered. The terms of management fee were determined and agreed by both parties.

(ii) The Central Plaza Group received rental income from a fellow subsidiary for office unit rented. The terms were determined and agreed by both parties.

All the above related party transactions will be ceased upon completion of the Proposed Transaction.

(b) Key management compensation

Key management is the Chief Executive Officer of the subsidiary of the Central Plaza Group. The compensation paid or payable to key management for employee service is shown below:

	For the year ended 31 March			For the six months ended 30 September	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Salaries	587	489	467	243	231
Retirement benefit costs	51	42	41	21	20
	638	531	508	264	251

The above compensation is paid by a fellow subsidiary on behalf of the Central Plaza Group and the fellow subsidiary recovered such from the Central Plaza Group through the management fee arrangement as stated in note 23(a)(i) above.

24 Contingent liabilities and guarantees

As at 31 March 2015, 2016 and 2017 and 30 September 2017, the Central Plaza Group had no contingent liabilities and guarantees.

25 Holding companies

The directors regard Chuang's Properties International Limited, a company incorporated in British Virgin Islands, as its immediate holding company, and CCIL, a company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited, as the ultimate holding company.

26 Subsequent events

There have been no significant events subsequent to 30 September 2017 and up to date of this report.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Central Plaza Holdco or its subsidiary in respect of any period subsequent to 30 September 2017 and up to the date of this report. No dividend or distribution has been declared or made by the Central Plaza Holdco or its subsidiary in respect of any period subsequent to 30 September 2017.

Set out below is the management discussion and analysis of the Central Plaza Group for each of the three years ended 31 March 2017 and the six months ended 30 September 2017.

For the six months ended 30 September 2017

Financial and business review

For the six months ended 30 September 2017, the Central Plaza Holdco, through its wholly-owned subsidiary, is engaged in property investment in Malaysia and its major asset is the property known as Central Plaza. Revenues of the Central Plaza Group for the six months ended 30 September 2017 decreased by approximately 14.5% to approximately HK$9.6 million compared to the corresponding period in 2016 mainly as a result of a decrease in occupancy. Profit after taxation for the six months ended 30 September 2017 amounted to approximately HK$2.5 million, representing an increase of approximately 44.1% as compared to approximately HK$1.7 million in the corresponding period in 2016, which was mainly due to the increase in change in fair value of Central Plaza.

Liquidity, financial position and capital structure

Total assets increased by approximately 5.0% to approximately HK$327.5 million as at 30 September 2017 as compared to the total assets as at 31 March 2017. The increase was mainly due to the change in fair value of Central Plaza. As at 30 September 2017, the Central Plaza Group had net assets and net current liabilities of approximately HK$106.1 million and HK$69.1 million respectively, and cash and bank balances of approximately HK$6.3 million.

Total liabilities remained stable at approximately HK$221.4 million as at 30 September 2017 as compared to approximately HK$217.1 million as at 31 March 2017. As at 30 September 2017, the Central Plaza Group had a bank borrowing of approximately HK$142.1 million and gearing ratio (defined as total bank borrowing divided by total assets) of approximately 43.4%.

For the six months ended 30 September 2017, the Central Plaza Group conducted its business in Malaysia, with the major assets and liabilities items being dominated in MYR. As the financial statements are presented in Hong Kong dollar, its financial position is subject to exchange exposure in MYR. The Central Plaza Group had no formal treasury policy and did not enter into any form of financial arrangement for hedging. The Central Plaza Group would closely monitor its risk exposure from time to time.

Employment and remuneration policy

As at 30 September 2017, the Central Plaza Group had 14 employees. For the six months ended 30 September 2017, remuneration to employees amounted to approximately HK$0.5 million. The staff remuneration policies were drawn up based on the performance, qualification and experience, and competence of employees.

Significant investment held and future plans for material investments or capital assets

Save for its interest in Central Plaza, the Central Plaza Group did not have any significant investment held and had no future plans for material investments or capital assets not in the ordinary and usual course of its business. There was no plan for new business for the Central Plaza Group.

Contingent liabilities and charges on assets

As at 30 September 2017, save for the bank borrowing being secured by Central Plaza and the corporate guarantee given by the ultimate holding company, the Central Plaza Group had no contingent liabilities or charges on assets.

Acquisition or disposal of subsidiaries and associated companies

There were no acquisition or disposal of subsidiaries and associated companies during the six months ended 30 September 2017.

For the year ended 31 March 2017

Financial and business review

For the year ended 31 March 2017, the Central Plaza Holdco, through its wholly-owned subsidiary, is engaged in property investment in Malaysia and its major asset is Central Plaza. Revenues of the Central Plaza Group for the year ended 31 March 2017 remained stable at approximately HK$20.8 million compared to approximately HK$20.9 million for the year ended 31 March 2016. Profit after taxation for the year ended 31 March 2017 amounted to approximately HK$2.9 million, representing a decrease of approximately 79.3% compared to that of 2016 mainly as a result of the decrease in change in fair value of Central Plaza.

Liquidity, financial position and capital structure

Total assets decreased by approximately 11.1% to approximately HK$311.8 million as at 31 March 2017 as compared to the total assets as at 31 March 2016. The decrease was mainly due to the depreciation of MYR for the year. As at 31 March 2017, the Central Plaza Group had net assets and net current liabilities of approximately HK$94.7 million and HK$67.5 million respectively, and cash and bank balances of approximately HK$8.1 million.

As at 31 March 2017, the Central Plaza Group recorded total liabilities of approximately HK$217.1 million, representing a decrease of approximately HK$21.5 million as compared to the total liabilities as at 31 March 2016, which was mainly due to the decrease in bank borrowing and the depreciation of MYR for the year. As at 31 March 2017, the Central Plaza Group had a bank borrowing of approximately HK$137.1 million and gearing ratio (defined as total bank borrowing divided by total assets) of approximately 44.0%.

For the year ended 31 March 2017, the Central Plaza Group conducted its business in Malaysia, with the major assets and liabilities items being dominated in MYR. As the financial statements are presented in Hong Kong dollar, its financial position is subject to exchange exposure in MYR. The Central Plaza Group had no formal treasury policy and did not enter into any form of financial arrangement for hedging. The Central Plaza Group would closely monitor its risk exposure from time to time.

Employment and remuneration policy

As at 31 March 2017, the Central Plaza Group had 14 employees. For the year ended 31 March 2017, remuneration to employees amounted to approximately HK$1.0 million. The staff remuneration policies were drawn up based on the performance, qualification and experience, and competence of employees.

Significant investment held and future plans for material investments or capital assets

Save for its interest in Central Plaza, the Central Plaza Group did not have any significant investment held and had no future plans for material investments or capital assets not in the ordinary and usual course of its business. There was no plan for new business for the Central Plaza Group.

Contingent liabilities and charges on assets

As at 31 March 2017, save for the bank borrowing being secured by Central Plaza and the corporate guarantee given by the ultimate holding company, the Central Plaza Group had no contingent liabilities or charges on assets.

Acquisition or disposal of subsidiaries and associated companies

There were no acquisition or disposal of subsidiaries and associated companies during the year ended 31 March 2017.

For the year ended 31 March 2016

Financial and business review

For the year ended 31 March 2016, the Central Plaza Holdco, through its wholly-owned subsidiary, is engaged in property investment in Malaysia and its major asset is Central Plaza. Revenues of the Central Plaza Group for the year ended 31 March 2016 was approximately HK$20.9 million, representing a decrease of approximately 10.5% compared to that of 2015 mainly due to the depreciation of MYR for the year. Profit after taxation for the year ended 31 March 2016 amounted to approximately HK$14.0 million, representing an increase of approximately HK$1.8 million compared to that of 2015 mainly due to the increase in change in fair value of Central Plaza.

Liquidity, financial position and capital structure

Total assets remained stable at approximately HK$350.6 million as at 31 March 2016 as compared to the total assets of approximately HK$355.9 million as at 31 March 2015. As at 31 March 2016, the Central Plaza Group had net assets and net current liabilities of approximately HK$112.0 million and HK$66.4 million respectively, and cash and bank balances of approximately HK$8.7 million.

As at 31 March 2016, the Central Plaza Group recorded total liabilities of approximately HK$238.6 million, representing a decrease of approximately HK$9.5 million as compared to the total liabilities as at 31 March 2015, which was mainly due to the depreciation of MYR for the year. As at 31 March 2016, the Central Plaza Group had a bank borrowing of approximately HK$157.7 million and gearing ratio (defined as total bank borrowing divided by total assets) of approximately 45.0%.

For the year ended 31 March 2016, the Central Plaza Group conducted its business in Malaysia, with the major assets and liabilities items being dominated in MYR. As the financial statements are presented in Hong Kong dollar, its financial position is subject to exchange exposure in MYR. The Central Plaza Group had no formal treasury policy and did not enter into any form of financial arrangement for hedging. The Central Plaza Group would closely monitor its risk exposure from time to time.

Employment and remuneration policy

As at 31 March 2016, the Central Plaza Group had 14 employees. For the year ended 31 March 2016, remuneration to employees amounted to approximately HK$1.2 million. The staff remuneration policies were drawn up based on the performance, qualification and experience, and competence of employees.

Significant investment held and future plans for material investments or capital assets

Save for its interest in Central Plaza, the Central Plaza Group did not have any significant investment held and had no future plans for material investments or capital assets not in the ordinary and usual course of its business. There was no plan for new business for the Central Plaza Group.

Contingent liabilities and charges on assets

As at 31 March 2016, save for the bank borrowing being secured by Central Plaza and the corporate guarantee given by the ultimate holding company, the Central Plaza Group had no contingent liabilities or charges on assets.

Acquisition or disposal of subsidiaries and associated companies

There were no acquisition or disposal of subsidiaries and associated companies during the year ended 31 March 2016.

For the year ended 31 March 2015

Financial and business review

For the year ended 31 March 2015, the Central Plaza Holdco, through its wholly-owned subsidiary, is engaged in property investment in Malaysia and its major asset is Central Plaza. Revenues of the Central Plaza Group amounted to approximately HK$23.4 million, which mainly comprised of rental income and management fee income. Profit after taxation for the year ended 31 March 2015 amounted to approximately HK$12.3 million.

Liquidity, financial position and capital structure

Total assets of the Central Plaza Group amounted to approximately HK$355.9 million as at 31 March 2015 which mainly included the investment property of approximately HK$344.7 million. As at 31 March 2015, the Central Plaza Group had net assets and net current liabilities of approximately HK$107.8 million and HK$63.9 million respectively, and cash and bank balances of approximately HK$7.6 million.

As at 31 March 2015, the Central Plaza Group recorded total liabilities of approximately HK$248.1 million which mainly included the bank borrowing of approximately HK$167.1 million and amount due to the immediate holding company of approximately HK$64.2 million. The gearing ratio (defined as total bank borrowing divided by total assets) was approximately 47.0%.

For the year ended 31 March 2015, the Central Plaza Group conducted its business in Malaysia, with the major assets and liabilities items being dominated in MYR. As the financial statements are presented in Hong Kong dollar, its financial position is subject to exchange exposure in MYR. The Central Plaza Group had no formal treasury policy and did not enter into any form of financial arrangement for hedging. The Central Plaza Group would closely monitor its risk exposure from time to time.

Employment and remuneration policy

As at 31 March 2015, the Central Plaza Group had 12 employees. For the year ended 31 March 2015, remuneration to employees amounted to approximately HK$1.1 million. The staff remuneration policies were drawn up based on the performance, qualification and experience, and competence of employees.

Significant investment held and future plans for material investments or capital assets

Save for its interest in Central Plaza, the Central Plaza Group did not have any significant investment held and had no future plans for material investments or capital assets not in the ordinary and usual course of its business. There was no plan for new business for the Central Plaza Group.

Contingent liabilities and charges on assets

As at 31 March 2015, save for the bank borrowing being secured by Central Plaza and the corporate guarantee given by the ultimate holding company, the Central Plaza Group had no contingent liabilities or charges on assets.

Acquisition or disposal of subsidiaries and associated companies

There were no acquisition or disposal of subsidiaries and associated companies during the year ended 31 March 2015.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is the illustrative unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group ("**Unaudited Pro Forma Financial Information**"), which have been prepared on the basis of notes set out below and in accordance with Rule 4.29(1) of the Listing Rules, for the purpose of illustrating the effects of the Proposed Transaction on the Group for the inclusion in this circular.

The Unaudited Pro Forma Financial Information has been prepared to illustrate the effects of the Proposed Transaction on the Group's financial position as at 30 September 2017 as if the Proposed Transaction had taken place at 30 September 2017.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Proposed Transaction been completed as at 30 September 2017 or any future dates.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Company for the year ended 31 March 2017 and the published interim report of the Company for the period ended 30 September 2017 and other financial information included elsewhere in this circular.

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 September 2017	Pro forma adjustments		Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group after the Proposed Transaction
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*
Non-current assets				
Property, plant and equipment	61,710	288		61,998
Investment properties	1,339,259	320,188		1,659,447
Goodwill	—	3,702		3,702
Land use rights	3,375			3,375
Properties for/under development	146,782			146,782
Cemetery assets	545,127			545,127
Associated companies	21,402			21,402
Joint venture	336,812			336,812
Available-for-sale financial assets	168,435			168,435
Loans and receivables	11,756			11,756
	2,634,658	324,178		2,958,836
Current assets				
Properties for sale	1,413,699			1,413,699
Cemetery assets	528,963			528,963
Inventories	51,865			51,865
Debtors and prepayments	258,276	703		258,979
Financial assets at fair value through profit or loss	704,703			704,703
Cash and bank balances	1,074,396	6,292	(173,930) (3,000)	903,758
	4,031,902	6,995	(176,930)	3,861,967
Current liabilities				
Creditors and accruals	256,057	6,629		262,686
Sales deposits received	3,056			3,056
Short-term bank borrowing	121,000			121,000
Current portion of long-term bank borrowings	304,126	4,812		308,938
Taxation payable	235,999	486		236,485
	920,238	11,927		932,165
Net current assets	3,111,664	(4,932)	(176,930)	2,929,802
Total assets less current liabilities	5,746,322	319,246	(176,930)	5,888,638
Non-current liabilities				
Long-term bank borrowings	1,027,764	137,329		1,165,093
Deferred taxation liabilities	311,396	7,987		319,383
Amount due to a fellow subsidiary	116,980			116,980
Loans and payables with non-controlling interests	27,253			27,253
Other non-current liabilities	60,711			60,711
	1,544,104	145,316		1,689,420
Net assets	4,202,218	173,930	(176,930)	4,199,218

Notes:

1. The amounts are extracted from the unaudited condensed consolidated balance sheet of the Group as at 30 September 2017 as set out in the interim report of the Company for the period ended 30 September 2017.

2. The adjustment represents the inclusion of identifiable assets and liabilities of the Central Plaza Group to be acquired by the Group assuming the Proposed Transaction was completed on 30 September 2017. Upon completion of the Proposed Transaction, the identifiable assets and liabilities of the Central Plaza Group will be accounted for in the consolidated financial statements of the Group at fair value under the acquisition method of accounting in accordance with Hong Kong Financial Reporting Standard 3 (Revised) ''Business Combinations''. The amounts have been extracted from the historical financial information of the Central Plaza Group as at 30 September 2017 as set forth in Appendix II of this circular (except for the amount due to the immediate holding company which would be acquired but eliminated in the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group), adjusted for the goodwill as if the Proposed Transaction was completed on 30 September 2017.

   A reconciliation is shown below:

	Central Plaza Group in Appendix II *HK$'000*	**Goodwill** *HK$'000* *(Note a)*	**Assets and liabilities to be acquired** *HK$'000* *(Note b)*
Non-current assets			
Property, plant and equipment	288*	—	288
Investment property	320,188	—	320,188
Goodwill	—	3,702	3,702
	320,476	3,702	324,178
Current assets			
Debtors and prepayments	703	—	703
Cash and bank balances	6,292	—	6,292
	6,995*	—	6,995
Current liabilities			
Creditors and accruals	6,629	—	6,629
Current portion of long-term bank borrowing	4,812	—	4,812
Taxation payable	486	—	486
	11,927*	—	11,927
Net current liabilities	(4,932)	—	(4,932)
Total assets less current liabilities	315,544	3,702	319,246
Non-current liabilities			
Long-term bank borrowing	137,329	—	137,329
Deferred taxation liabilities	7,987	—	7,987
	145,316*	—	145,316
Net assets	170,228	3,702	173,930

*Sum of * = (HK$149,960,000) = Completion NAV*

Notes:

(a) The difference between the Consideration and the fair value of the net identifiable assets of the Central Plaza Group to be acquired of approximately HK$3,702,000 is recorded as goodwill in the pro forma adjustment. For the purpose of the Unaudited Pro Forma Financial Information, the Directors have assessed whether there is any impairment in respect of the goodwill expected to arise from the Proposed Transaction following the principles set out in Hong Kong Accounting Standard 36 ''Impairment of Assets''. Based on the Directors' assessment, the Directors consider that there is no impairment on the goodwill.

Central Plaza is valued at MYR175,000,000 (equivalent to approximately HK$323,890,000, converted at the 30 September 2017 exchange rate of MYR1.00 = HK$1.8508) as at 30 November 2017 with reference to the valuation report prepared by Colliers International (Hong Kong) Ltd. (''Colliers''), an independent valuer engaged by the Company, as set out in Appendix V to this circular. If the Proposed Transaction was completed on 30 November 2017, the fair value of the investment property to be acquired will be increased to approximately HK$323,890,000 and no goodwill will be recognized. The actual amount of goodwill can only be determined at Completion.

(b) The carrying values of property, plant and equipment, debtors and prepayments, cash and bank balances, creditors and accruals and bank borrowing approximate to their fair values. For the purpose of the Unaudited Pro Forma Financial Information, the bank borrowing on Central Plaza is assumed to be continued by the Central Plaza Group at Completion.

According to the Sale and Purchase Agreement, the amounts of all assets and liabilities of the Central Plaza Group, except for Central Plaza, will be aggregated as the Completion NAV and adjusted to the Consideration at the Completion Date. The amount of the Completion NAV as at 30 September 2017 is (HK$149,960,000). The actual amount of the Completion NAV can only be determined at Completion.

3. The adjustment represents the Consideration and expenses to be paid for the Proposed Transaction assuming the Proposed Transaction had taken place on 30 September 2017:

	Note	*HK$'000*	*HK$'000*
Consideration (MYR175,000,000)*			323,890
Less: Bank borrowing		(142,141)	
Other assets and liabilities of the Central Plaza Group, except for Central Plaza and bank borrowing		(7,819)	
Completion NAV as at 30 September 2017	*2(b)*		(149,960)
Net consideration to be paid			173,930
Estimated expense directly attributable to the Proposed Transaction	*a*		3,000
Total amount to be paid for the Proposed Transaction			176,930

* *The Consideration of MYR175 million in MYR is converted into HK$ at the 30 September 2017 exchange rate of MYR1.00 to HK$1.8508.*

Note:

(a) The estimated legal and professional fee and transaction expenses attributable to the Proposed Transaction are approximately HK$3,000,000.

The actual amount of the Completion NAV and thus the total amount to be paid for the Proposed Transaction can only be determined at Completion. This adjustment has no continuing effect.

4. No other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2017.

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

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Chuang's China Investments Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Chuang's China Investments Limited (the "**Company**") and its subsidiaries (collectively the "**Group**"), and Winfred Investment Limited and its subsidiary (the "**Central Plaza Group**") (collectively the "**Enlarged Group**") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 September 2017 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages IV-1 to IV-4 of the Company's circular dated 11 January 2018 in connection with the proposed acquisition of the entire equity interest in the Central Plaza Group (the "**Proposed Transaction**") by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages IV-1 to IV-4.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Proposed Transaction on the Group's financial position as at 30 September 2017 as if the Proposed Transaction had taken place at 30 September 2017. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's unaudited condensed consolidated financial statements for the period ended 30 September 2017, on which a review report has been issued.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Our Independence and Quality Control

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

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Transaction at 30 September 2017 for the Group's financial position would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 11 January 2018

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Colliers International (Hong Kong) Ltd., an independent valuer, in connection with its valuation as at 30 November 2017 of Central Plaza.

Colliers International (Hong Kong) Ltd
Valuation & Advisory Services
Company Licence No: C-006052

Suite 5701 Central Plaza
18 Harbour Road Wanchai
Hong Kong

The Board of Directors
Chuang's China Investments Limited
25th Floor, Alexandra House
18 Chater Road, Central
Hong Kong

11 January 2018

Dear Sir/Madam,

INSTRUCTIONS, PURPOSE AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of an office building known as Central Plaza (the ''Property'') located at No. 34 Jalan Sultan Ismail, Kuala Lumpur, Malaysia which is to be acquired by Chuang's China Investments Limited (the ''Company''). We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 30 November 2017 (the ''Valuation Date'').

BASIS OF VALUATION

Our valuation has been undertaken on the basis of Market Value, which is defined by The Hong Kong Institute of Surveyors as ''the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion''.

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

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

In arriving our opinion on the Market Value of the Property, we have adopted the Market Approach with reference to the rental and sales price transactions in the market.

Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

By analysing such sales, which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of assets of a similar nature is available.

VALUATION STANDARDS

The valuation has been carried out in accordance with The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors, the RICS Valuation — Global Standards 2017 incorporating the International Valuation Standards published by the Royal Institution of Chartered Surveyors, the International Valuation Standards published by the International Valuation Standards Council, and the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the Property. However, we have not scrutinised the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on the information provided by the Company.

We have relied on the advices given by the Company's legal adviser, Tay & Partners, regarding the titles of the Property in Malaysia. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

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

SOURCES OF INFORMATION

We have relied to a considerable extent on the information provided by the Company and the legal adviser, in respect of the titles of the Property in Malaysia. We have also accepted advice given to us on matters such as the identification of the Property, the particulars of occupancy, statutory notices, easements, tenure, site areas, site plans and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

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

SITE MEASUREMENT

We have not carried out on-site measurement to verify the correctness of the site areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the Property. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No test was carried out on any of the services.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the Property in the market without the benefit of a deferred term 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 report for any charges, mortgages or amounts owing on any of the Property valued 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 an onerous nature, which could affect its value.

This report and its conclusion provide value reference solely for the Company for the proposed transaction as announced by the Company on 7 December 2017 and not for other purposes. The valuation report will be attached to the publications made by the Company to its shareholders.

We have conducted the valuation assuming that:

(i) all information of the Property provided by the Company are correct;

(ii) the clean and enforceable titles of the Property have been obtained, where the title documents are available, and can be freely transferred, mortgaged, sublet or otherwise disposed of in the market without payment of any land premium or onerous fees;

(iii) the Property is in a good state of repair, management and maintenance and fit for the use to which it is put, and will continue to be managed and maintained to this standard in the future; and

(iv) the current tenancies of the Property are of good covenant and will run the full term of their leases at the current contracted rental levels.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Malaysian Ringgit (MYR).

We hereby certify that we have neither present nor a prospective interest in the Property or the value reported.

Our valuation certificate is attached hereto.

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

Vincent Cheung
Registered Professional Surveyor (GP) BSc(Hons) MBA FRICS MHKIS MISCM MHKSI
Deputy Managing Director, Valuation & Advisory Services, Asia

Note: Mr. Vincent Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with over 20 years' experience in real estate industry and assets valuations sector. His experience on valuations covers Malaysia, Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. Mr. Cheung is a fellow member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. Mr. Cheung is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

Datuk Sr Sidsapesan Sittampalam (Siders)
BSc, MBA, FRICS, FRISM, ICVS, MPEPS, MMIPPM
Managing Director
PPC International Sdn. Bhd.

Note: Mr. Sidsapesan Sittampalam holds a BSc in Urban Estate Management and he is a Registered Valuer (V-292) with the Board of Valuers, Appraisers and Estate Agents, Malaysia over 30 years. His experience in real estate industry valuation covers Malaysia and other Asia countries. Mr. Sittampalam is a fellow member of the Royal Institution of Chartered Surveyors and Royal Institution of Surveyors Malaysia (RISM).

VALUATION CERTIFICATE

Property Interests to be acquired by the Company in Malaysia for investment

Property	Description and Tenure	Particulars of Occupancy	Market Value as at 30 November 2017
Central Plaza, No. 34 Jalan Sultan Ismail, Kuala Lumpur, Malaysia (the ''Property'')	The Property, known as Central Plaza, is located on Lot No. 1262 Seksyen 57, which is a freehold land under Geran 65303 with a site area of 25,241 sq. ft.. The Property is in the City Centre Commercial Zone. The Property was completed in 1996. It is a 29-storey high-rise office building including a mezzanine floor and a basement. Based on the supplied information, the Property has 298 carparking bays and has a total GFA of approximately 381,466 sq. ft., which comprises of office/retail accommodation with GFA of approximately 253,622 sq. ft. (total Net Lettable Area is approximately 194,964 sq. ft.) and carparking bays with GFA of approximately 127,844 sq. ft.. The breakdown of the usages and the Net Lettable Area are shown as follows:	According to the supplied information and our inspection, the Property was occupied by multiple tenants for office and retail purposes with the latest expiry date of 31 May 2020. As at 30 November 2017, the monthly rental and other income of the Property was approximately MYR875,570, inclusive of management fees but exclusive of other outgoings. Its occupancy rate is approximately 71%.	MYR175,000,000 (Malaysian Ringgit One Hundred and Seventy-Five Million) (See Note 7)

Floor	Usage	Net Lettable Area *(sq. ft.)*
29/F	Office	10,861
28/F	Office	11,970
27/F	Office	11,130
26/F	Office	11,173
25/F	Office	11,227
23/F	Office	10,075
22/F	Office	10,388
21/F	Office	10,420
20/F	Office	10,463
19/F	Office	10,506
18/F	Office	10,549
17/F	Office	10,592
16/F	Office	10,635
15/F	Office	10,021
13/F	Office	10,721
12/F	Office	10,764
11/F	Office	10,907
1/F–10/F	Carpark	—
M/F	Retail	2,670
G/F	Retail	4,844
B/F	Retail	5,048
Total		194,964

The Property is held by freehold.

Notes:

1. The Property was inspected by Kimberley Liu *MRICS* on 6 November 2017.

2. The valuation of the Property was prepared by Hannah Jeong *MRICS MHKIS* and Vincent Cheung *FRICS MHKIS RPS(GP) MISCM MHKSI* and Datuk Sr Sidsapesan Sittampalam *FRICS FRISM ICVS MPEPS MMIPPM*.

3. Pursuant to the land title documents No. GRN 65303, dated 27 April 2009 granted by Pendaftar Hakmilik of Tanah Kuala Lumpur, the land of the Property was granted to Chuang's Properties (Central Plaza) Sdn. Bhd. (''Central Plaza Subsidiary'') for a perpetual term for commercial building for office use only. Central Plaza Subsidiary is a direct wholly-owned subsidiary of Winfred Investment Limited, which is an indirect wholly-owned subsidiary of Chuang's Consortium International Limited.

4. Land of approximately 398/27,469 sq. ft. is leased to Tenaga Nasional Berhad for 30 years commencing from 2 October 1998 and ending on 1 October 2028, registered on 2 August 2001 for substation usages.

5. The Property is pledged for a mortgage loan with CIMB Bank Berhad vide Presentation No. 13129/2014 dated 24 April 2014 as well as a Private Caveat entered by CIMB Bank Berhad vide Presentation No. 4374/2014 dated 24 March 2014.

6. The general description and market information of the Property are summarised as below:

Location	:	The Property is located at Jalan Sultan Ismail in the Central Business District of Kuala Lumpur. It is within 5-minute walking distance to Monorail Raja Chulan Station and major shopping centres like Pavilion.
Transportation	:	Monorail Raja Chulan Station is 270 meters away from the Property.
Nature of Surrounding Area	:	The subject area is mainly commercial surrounded by high-rise offices, retail shops, restaurants, hotels and shopping centres.

7. The Property is valued as a whole, with the estimated value breakdown between carpark (1/F–10F) and office/retail accommodation (all remaining floors) of MYR27 million and MYR148 million respectively.

8. We have been provided with a legal opinion regarding the Property by Tay & Partners, which contains, inter alia, the following:

   (a) The land title documents of the Property are valid, legal and enforceable under the Malaysia laws;

   (b) Central Plaza Subsidiary is the sole legal owner of the Property;

   (c) Central Plaza Subsidiary has the right to freely use, occupy and lease the Property; and

   (d) The Property is subject to mortgage by Central Plaza Subsidiary in favour of CIMB Bank Berhad and upon the mortgage being fully repaid and released, Central Plaza Subsidiary has the right to freely transfer or dispose of 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have 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) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules ("**Model Code**") to be notified to the Company and the Stock Exchange, were as follows:

(i) Interests in the Company

Name	Nature of interest	Number of Shares	Approximate percentage of shareholding
Mr. Sunny Pang Chun Kit	Beneficial owner	930,000	0.04

(ii) Interests in CCIL

Name	Nature of interest	Number of ordinary shares	Approximate percentage of shareholding
Mr. Albert Chuang Ka Pun ("**Mr. Albert Chuang**")	Beneficial owner	1,299,678	0.08

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have 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) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Interests of substantial Shareholders in the Company and interests of substantial shareholders in other members of the Group

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital:

(i) Long positions in the Shares

Name	Nature of interest	Number of Shares	Approximate percentage of shareholding
Profit Stability Investments Limited ("**PSL**") *(Note 1)*	Beneficial owner	1,426,074,923	60.71
CCIL *(Note 1)*	Interest in controlled corporation	1,426,074,923	60.71
Evergain Holdings Limited ("**Evergain**") *(Note 1)*	Interest in controlled corporation	1,426,074,923	60.71
Mr. Alan Chuang Shaw Swee ("**Mr. Alan Chuang**") *(Note 1)*	Interest in controlled corporation	1,426,074,923	60.71
Mrs. Chong Ho Pik Yu *(Note 2)*	Interest of spouse	1,426,074,923	60.71

Notes:

1. Interests in the 1,426,074,923 Shares were beneficially owned by PSL as at the Latest Practicable Date. PSL is a wholly-owned subsidiary of CCIL. Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL through Evergain, a company beneficially owned by Mr. Alan Chuang. Mr. Albert Chuang is a director of PSL, CCIL and Evergain. Mr. Chong Ka Fung is a director of CCIL and Evergain. Mr. Geoffrey Chuang Ka Kam is a director of Evergain.

2. Such interest arose by attribution through her spouse, Mr. Alan Chuang.

(ii) Long positions in other members of the Group

Name of non-wholly-owned subsidiary of the Company	Name of substantial shareholder	Approximate percentage held by the substantial shareholder in the subsidiary of the Company
Gold Capital Profits Limited	Mr. Fan Xiao Han	14.6
Noble Century Investment Limited	Mr. Fan Xiao Han	10
Hunan Han Ye Real Estate Development Company Limited# (湖南漢業房地產開發有限公司)	Miss Zhou Chang Chun	10
Dragon Rich Investments Limited	Lawdion Investments Limited	15
Xiamen Mingjia Binhai Resort Company Limited# (廈門佲家濱海度假村有限公司)	Xiamen Tourism Group Limited# (廈門旅遊集團有限公司)	30
Profitable Industries Limited	China Utilities Limited	12.5

For identification purposes only

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital.

Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the business of the Enlarged Group as a whole.

Interests in assets

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2017, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

Service contracts

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Enlarged Group (excluding contracts expiring or determinable by the Enlarged Group within a year without payment of any compensation (other than statutory compensation)).

Interests in other competing business

The Company discloses that Mr. Albert Chuang and Mr. Chong Ka Fung hold directorships in CCIL, and Mr. Albert Chuang, Mr. Chong Ka Fung and Mr. Geoffrey Chuang Ka Kam hold equity interests and directorships in certain private companies. The principal activities of CCIL include property development in Hong Kong and securities investment and trading, whereas the principal activities of the private companies include securities investment and trading.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

3. LITIGATION

As 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 Enlarged Group.

4. EXPERTS AND CONSENTS

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

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants
Colliers	Professional surveyor and valuer
Tay & Partners	Malaysia legal adviser
Halcyon Capital	A licenced corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, each of PricewaterhouseCoopers, Colliers, Tay & Partners and Halcyon Capital had no shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Enlarged Group or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 March 2017, being the date to which the latest published audited financial statements of the Company were made up.

Each of PricewaterhouseCoopers, Colliers, Tay & Partners and Halcyon Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or report and/or references to its name, in the form and context in which they respectively appear.

5. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Enlarged Group within the two years preceding the date of this circular and are or may be material:

(a) the underwriting agreement dated 17 March 2016 (the "**Underwriting Agreement**") entered into between the Company and Kingston Securities Limited in relation to the issue of 810,571,772 new shares of the Company by way of rights issue to the Shareholders for subscription on the terms set out in the Underwriting Agreement and the prospectus document of the Company dated 7 April 2016;

(b) the sale and purchase agreement dated 25 August 2016 entered into between Chuang's China Realty Limited ("**Chuang's China Realty**"), a wholly-owned subsidiary of the Company, the Company, View Glory Enterprises Limited ("**View Glory**") and Angel View International Limited for the disposal by Chuang's China Realty to View Glory of the entire issued share capital of, and the shareholder's loan owing by, Chuang's Development (Dong Guan) Limited for a consideration of approximately RMB1,330.4 million (subject to adjustment), details of which were set out in the announcement and the circular of the Company dated 28 August 2016 and 26 September 2016 respectively;

(c) the sale and purchase agreement dated 4 November 2016 (United Kingdom time) entered into between Noble Title Limited, an indirect wholly-owned subsidiary of the Company, and Standard Life Assurance Limited in relation to the acquisition of a commercial property located in City of London for a consideration of approximately GBP79.0 million, details of which were set out in the announcement and the circular of the Company dated 6 November 2016 and 9 December 2016 respectively;

(d) the sale and purchase agreements dated 5 January 2017 (the "**SP Agreement**") entered into between Guangzhou Chuang's Investment Services Limited# (廣州莊士投資咨詢服務有限公司), an indirect wholly-owned subsidiary of the Company as at the date of the SP Agreement, and Shenzhen Hui Cong Investment Limited# (深圳市滙聰投資有限公司) in relation to the disposal of an approximately 3.1% shareholding interest in Shengzhen Harmony Investment Funds Company Limited# (深圳市同心投資基金股份公司) for a consideration of RMB64.5 million, details of which were set out in the announcement of the Company dated 5 January 2017;

For identification purposes only

(e) the sale and purchase agreement dated 21 January 2017 relating to the January Transaction; and

(f) the Sale and Purchase Agreement.

6. GENERAL

(a) The secretary of the Company is Ms. Lee Wai Ching who is a fellow of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries.

(b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal office of the Company in Hong Kong is situated at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong.

(c) The Company's branch share registrar and transfer office in Hong Kong is Tricor Progressive Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) In the event of any inconsistency, the English text of this circular shall prevail over its Chinese text.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong during normal business hours (Saturdays and public holidays excepted) 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 of association and bye-laws of the Company;

(b) the annual reports of the Company for the years ended 31 March 2015, 2016 and 2017 and the interim report of the Company for the period ended 30 September 2017;

(c) the letter from the Independent Board Committee, the text of which is set out on pages 23 to 24 of this circular;

(d) the letter of advice from Halcyon Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 25 to 45 of this circular;

(e) the accountant's report of the Central Plaza Group, the text of which is set out in Appendix II to this circular;

(f) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(g) the valuation report prepared by Colliers in relation to Central Plaza, the text of which is set out in Appendix V to this circular;

(h) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(i) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix; and

(j) this circular.

Chuang's China Investments Limited
（莊 士 中 國 投 資 有 限 公 司）
(Incorporated in Bermuda with limited liability)
(Stock Code: 298)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Chuang's China Investments Limited (the "**Company**") will be held at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong at 10:00 a.m. on Wednesday, 31 January 2018 for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution of the Company which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

"**THAT**:

(a) the sale and purchase agreement dated 7 December 2017 (the "**Sale and Purchase Agreement**", a copy of which has been produced to the meeting marked "A" and initialed by the Chairman of the meeting for the purpose of identification) between the Company (together with its subsidiaries, the "**Group**") as purchaser and Chuang's Consortium International Limited (the "**Vendor**", together with its subsidiaries but excluding the Group in this case, the "**Vendor Group**") as vendor, under which the Group shall purchase, and the Vendor Group shall sell, the entire issued share capital of Winfred Investment Limited (the "**Target Company**") and the entire amount of the loan owing by the Target Company to the Vendor Group for a total consideration of not more than MYR175 million (equivalent to approximately HK$336 million), which shall be paid in cash, on the terms and subject to the conditions therein as disclosed in the circular of the Company dated 11 January 2018 ("**Circular**") and the transactions contemplated under the Sale and Purchase Agreement be and are hereby approved, confirmed and ratified; and

(b) the board of directors of the Company (the "**Board**") be and are hereby authorized to sign and execute all such further documents and to take all such actions and steps as it may in its absolute discretion consider necessary, appropriate, desirable or expedient to implement and/or give full effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder and to make or agree to such variations, amendments or waivers as are, in the opinion of the Board, in the interests of the Company."

By order of the Board of
Chuang's China Investments Limited
Lee Wai Ching
Company Secretary

Hong Kong, 11 January 2018

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

Principal Office in Hong Kong:
25th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the meeting. A proxy need not be a member of the Company.

2. To be valid, a form of proxy in the prescribed form, together with any power of attorney or other authority (if any), under which it is signed or a certified copy thereof must be deposited at the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Progressive Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and deposit of the proxy form will not preclude a member from attending and voting at the meeting or adjourned meeting if he so wishes and, in such case, the form of proxy previously submitted shall be deemed to be revoked.

3. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Friday, 26 January 2018 to Wednesday, 31 January 2018, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 25 January 2018.

4. For joint registered holders of any shares of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if the shareholder was solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall alone be entitled to vote in respect thereof.