#### THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in CNQC International Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1240)

# (1) DISCLOSABLE AND CONNECTED TRANSACTION IN RELATION TO THE FORMATION OF INVESTMENT FUND AND (2) NOTICE OF EGM

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

#### ALTUS CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 18 of this circular. A letter from the Independent Board Committee containing its recommendation to the Shareholders is set out on pages 19 to 20 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the independent Shareholders is set out on pages 21 to 44 of this circular.

A notice convening an extraordinary general meeting of the Company to be held on 17 August 2017 (Thursday) at 11:30 a.m. at Room 601, 6/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon to the office of the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting thereof should you so desire.

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

"Board" the board of Directors

"Business Day" any day except a Saturday, Sunday or other day on which

commercial banks in the PRC, Hong Kong or Cayman Islands

are required or authorized by law to close

"BVI" the British Virgin Islands

"Capital Contribution" the amount of money in US\$ contributed to the Fund by such

Partner, with respect to the interest held by such Partner

"CNQC Asset Management" CNQC International Asset Management Limited, a company

incorporated under the laws of the Cayman Islands with limited liability and is a direct wholly-owned subsidiary of the

Company

"Committed Fund Size" US\$280 million (equivalent to approximately HK\$2,180.4

million), the aggregate amount of capital agreed to be

contributed to the Fund by each of the Limited Partners

"Company" CNQC International Holdings Limited(青建國際控股有限公

司), a company incorporated under the laws of Cayman Islands with limited liability and the issued Shares of which are listed

on the Main Board of the Stock Exchange

"CPS" the non-redeemable convertible preference share(s) of

HK\$0.01 each the share capital of the Company

"Director(s)" director(s) of the Company

"EGM" the extraordinary general meeting of the Company to be held

at Room 601, 6/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong on 17 August 2017 (Thursday) at 11:30 a.m. for the Shareholders to consider, and if thought fit,

approve, among other things, the Transaction

"Fund" the Great Wall and CNQC B&R Industrial Development

Fund L.P., an exempted limited partnership established in the

Cayman Islands

"General Partner" the Great Wall and CNQC B&R Industrial Development

Fund Management Limited, an exempted limited partnership established in Cayman Islands, the sole general partner of the

Fund

"Great Wall" China Great Wall AMC (International) Holdings Company

Limited (中國長城資產 (國際)控股有限公司)(formerly known as Great Wall Pan Asia International Investment Co., Limited (長城環亞國際投資有限公司)), a company

incorporated in Hong Kong with limited liability

"Great Wall International

Investment"

Great Wall International Investment I Limited, a company incorporated under the laws of the BVI with limited liability and is a direct wholly-owned subsidiary of Great Wall

"Group" the Company and its subsidiaries

"Guotsing Asset Management" Guotsing Asset Management Limited, a company incorporated

under the laws of the Cayman Islands with limited liability and is an indirect wholly-owned subsidiary of the Guotsing

Holding

"Guotsing Holding" Guotsing Holding Company Limited, a company incorporated

in the BVI with limited liability

"Guotsing PRC" 國清控股集團有限公司 (Guotsing Holding Group Co Ltd.\*),

a company incorporated in the PRC with limited liability

"HK\$" Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong" the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee" an independent committee of the Board, comprising all the

independent non-executive Directors, formed for the purpose of advising the independent Shareholders in respect of the

Transaction

"Independent Financial Altus Capital Limited, a corporation licensed to conduct type 4 (advising on securities), type 6 (advising on corporate finance)

(advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the independent

Shareholders in respect of the Transaction

"Initial LP" Mr. Li Jun

"Investment Proceeds" all cash proceeds or other cash receipts received by the Fund (other than the capital contributions from the Limited Partners and the General Partner) "Latest Practicable Date" 27 July 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular "Limited Partner(s)" CNQC Asset Management, Great Wall International Investment and Guotsing Asset Management "Limited Partnership Agreement" the limited partnership agreement dated 16 May 2017 (as amended and supplemented on 14 July 2017) entered into between the Limited Partners, the General Partner and the Initial LP in relation to the Transaction "Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange "percentage ratios" any of the five ratios set out in Rule 14.07 of the Listing Rules "Partner(s)" collectively, the General Partner and the Limited Partners, and "Partner" means, individually, either the General Partner or any Limited Partner "PRC" The People's Republic of China, which shall, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan "Oingjian Realty (Residential)" Qingjian Realty (Residential) Pte. Ltd., a company incorporated in Singapore with limited liability and is an indirect wholly-owned subsidiary of the Company "Qingjian Realty (SF) Holding" Qingjian Realty (SF) Holding Pte. Ltd., a company incorporated in Singapore with limited liability "SFO" Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) "Share(s)" shares(s) of the Company of HK\$0.01 each "Shareholder(s)" the holder(s) of the Shares "Shunfu Ville Enbloc Project" the Shunfu Ville Enbloc sale and development project, located near the Bishan-Thomson area in Singapore

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Agreement"	the subscription agreement dated 16 May 2017 entered by CNQC Asset Management pursuant to which CNQC Asset Management has agreed to commit a cash contribution of US\$90 million (equivalent to approximately HK\$700.8 million) to the Fund
"S\$"	Singapore dollars, the lawful currency of Singapore
"Target Company"	Qingjian Realty (Marymount) Pte. Ltd., a company duly incorporated and validly existing under the laws of Singapore
"Transaction"	the formation of the Fund pursuant to the terms of the Limited Partnership Agreement and the Subscription Agreement
"US\$"	United States dollars, the lawful currency of the United States of America
"ZACD Shunfu"	ZACD (Shunfu) Ltd., a company incorporated in Singapore with limited liability
"ZACD Shunfu2"	ZACD (Shunfu2) Ltd., a company incorporated in Singapore with limited liability
"0 <mark>/0</mark> "	per cent.

In this circular, unless the context otherwise requires, the terms "associate(s)", "connected person(s)", "connected transaction(s)", "controlling shareholder(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

For the purpose of this circular, unless the context otherwise requires, conversion of US\$ into HK\$ is based on the approximate exchange rate of US\$1.00 to HK\$7.787 and conversion of S\$ into HK\$ is based on the approximate exchange rate of S\$1.00 to HK\$5.6. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$, S\$ or US\$ have been, could have been or may be converted at such or any other rate or at all.

Certain amounts and percentage figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

The English names of Chinese entities marked with "\*" are translations of their Chinese names and are included in this circular for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.



#### 青建國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1240)

Executive Directors:

Mr. Cheng Wing On, Michael (Chairman) Mr. Wang Congyuan (Chief Executive)

Mr. Zhang Yuqiang Mr. Ho Chi Ling Mr. Wang Linxuan

Non-executive Directors:

Mr. Zhang Zhihua Dr. Sun Huiye Mr. Wang Xianmao

*Independent Non-executive Directors:* 

Mr. Chuck Winston Calptor Mr. Ching Kwok Hoo, Pedro Mr. Tam Tak Kei, Raymond Mr. Chan Kok Chung, Johnny Registered Office:

Clifton House 75 Fort Street PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Headquarters, Head Office and Principal Place of Business

in Hong Kong:

Unit 601, 6/F, Exchange Tower

33 Wang Chiu Road

Kowloon Bay Hong Kong

31 July 2017

To the Shareholders

Dear Sir or Madam,

## (1) DISCLOSABLE AND CONNECTED TRANSACTION IN RELATION TO THE FORMATION OF INVESTMENT FUND AND (2) NOTICE OF EGM

#### INTRODUCTION

On 16 May 2017 (after trading hours), CNQC Asset Management entered into the Limited Partnership Agreement with Great Wall International Investment, Guotsing Asset Management, Initial LP and General Partner in relation to the formation of the Fund. CNQC Asset Management also entered into the Subscription Agreement in relation to the capital commitment of CNQC

Asset Management to the Fund. Pursuant to the Limited Partnership Agreement, the Group has conditionally agreed to commit a cash contribution of US\$90 million (equivalent to approximately HK\$700.8 million) to the Fund, representing approximately 32.14% of the Committed Fund Size. The purpose of the Fund is primarily to achieve capital appreciation, through directly or indirectly investing in equity, equity-related securities, fixed income securities, debt securities or convertible bonds issued by the Target Company or loans directly or indirectly borrowed by the Target Company.

The purpose of this circular is to provide the Shareholders with (i) further details of the Transaction; (ii) the letter from the Independent Board Committee; (iii) the letter from the Independent Financial Adviser; (iv) the notice of the EGM and forms of proxy; and (v) other information as required under the Listing Rules.

#### INTRODUCTION

The Board is pleased to announce that on 16 May 2017 (after trading hours), CNQC Asset Management entered into the Limited Partnership Agreement with Great Wall International Investment, Guotsing Asset Management, Initial LP and General Partner in relation to the formation of the Fund. CNQC Asset Management also entered into the Subscription Agreement in relation to the capital commitment of CNQC Asset Management to the Fund. Pursuant to the Limited Partnership Agreement and the Subscription Agreement, the Group has conditionally agreed to commit a cash contribution of US\$90 million (equivalent to approximately HK\$700.8 million) to the Fund, representing approximately 32.14% of the Committed Fund Size.

#### THE LIMITED PARTNERSHIP AGREEMENT

The principal terms of the Limited Partnership Agreement are set out below:

#### Date

16 May 2017 (after trading hours) (as amended and supplemented on 14 July 2017)

#### **Parties**

- (1) CNQC Asset Management;
- (2) Guotsing Asset Management;
- (3) Great Wall International Investment;
- (4) General Partner; and
- (5) Initial LP.

#### **Purpose of the Fund**

The purpose of the Fund is primarily to achieve capital appreciation, through directly or indirectly investing in equity, equity-related securities, fixed income securities, debt securities or convertible bonds issued by the Target Company or loans directly or indirectly borrowed by the Target Company. The General Partner may in its sole discretion employ various methods to structure the investment in the Target Company to indirectly invest into the Target Company.

#### Commencement and duration of the Fund

The Fund was established on 12 April 2017 by an initial exempted limited partnership agreement entered into between General Partner and Initial LP. Pursuant to the Limited Partnership Agreement, Initial LP shall withdraw as a limited partner of the Fund while CNQC Asset Management, Guotsing Asset Management and Great Wall International Investment shall be admitted as Limited Partners on the first date on which the General Partner, on behalf of the Funds, accepts the relevant subscription agreements (including the Subscription Agreement) upon the conditions (if any) set forth in the relevant subscription agreements being satisfied or waived by the relevant Partners (the "Initial Closing Date"). Therefore, the subscriptions by the Limited Partners shall be completed on the Initial Closing Date.

Subject to winding up or dissolution of the Fund pursuant to the Limited Partnership Agreement, the Fund shall continue until the expiry of five (5) years from the Initial Closing Date, provided that the term may be extended by General Partner at its sole discretion for any longer period.

#### **Committed Fund Size**

The Committed Fund Size shall be US\$280 million (equivalent to approximately HK\$2,180.4 million). The commitment of the General Partner shall be US\$1.00. The respective commitment of the Limited Partners is set out as follows:

Partners	Commitments	Percentage
	US\$ (million)	(%)
CNQC Asset Management	90	32.14
Great Wall International Investment	184	65.72
Guotsing Asset Management	6	2.14

Each Limited Partner shall contribute capital to the Fund upon notice from the General Partner at such time as the General Partner shall deem appropriate, as specified therein. The notice shall specify the amount of such capital to be made by the respective Limited Partner and the time at which such capital to be made, which time shall not be earlier than 12:00 p.m. (PRC time) on the tenth (10th) Business Day after the giving of such notice.

Each of the Limited Partners shall contribute capital to the Fund proportionally in accordance with their respective commitment, among which the capital commitment of Great Wall International Investment shall consist of: (i) the first capital commitment in the amount of US\$27,700,000 (the "First Round Contributions"); and (ii) the subsequent capital commitment in the amount of no more than US\$156,300,000 (the "Second Round Contributions").

The purpose of the Fund is primarily to achieve capital appreciation, through directly or indirectly investing in equity, equity-related securities, fixed income securities, debt securities or convertible bonds issued by the Target Company or loans directly or indirectly borrowed by the Target Company. The Fund may also make investments in other investment opportunities, other than in the Target Company, with the unanimous written consent of the investment committee established by the General Partner (the "Investment Committee") and the board of directors of the General Partner. As such, any Capital Contributions in excess of the total costs of the Shunfu Ville Enbloc Project cannot be made without the unanimous written consent of the Investment Committee and the board of directors of the General Partner.

The Committed Fund Size was determined upon arm's length negotiation among the parties under the Limited Partnership Agreement with reference to the anticipated capital requirements of the Shunfu Ville Enbloc Project as at the date of the Limited Partnership Agreement including land costs, construction costs and other development costs including marketing expenses, sales commission and property tax, which were approximately S\$0.4 billion (approximately HK\$2.1 billion), as the amount of co-investment in the Shunfu Ville Enbloc Project, which will be approximately S\$0.3 billion (approximately HK\$1.4 billion), had not been determined at the time. Although the Shunfu Ville Enbloc Project has identified new co-investments after the signing of the Limited Partnership Agreement, the Limited Partners have resolved to keep the Committed Fund Size to provide flexibility for the Fund to make investments in other investment opportunities with the unanimous written consent of the Investment Committee and the board of directors of the General Partner. The respective commitments of each Limited Partner were determined after arm's length negotiation and sought with reference to (i) the cash position of the Group; and (ii) the progress of the various property development and/or construction projects carried out by the Group. The capital commitment to be made by CNQC Asset Management to the Fund will be funded by internal resources and paid in cash.

#### **Distributions**

The General Partner may, in its discretion, determine to retain and use all or any portion of a Partner's share of Investment Proceeds to pay all or part of any Capital Contribution that is required to be made by such Partner pursuant to the terms under the Limited Partnership Agreement.

Investment Proceeds shall be distributed by the General Partner as soon as practicable within 90 days after receipt of such Investment Proceeds by the Fund. Investment Proceeds shall be apportioned among and distributed to the Partners as follows:

- (a) First, 100% to Great Wall International Investment until Great Wall International Investment has received, on a cumulative basis, an aggregate amount equal to its aggregate First Round Contributions;
- (b) Second, 100% to Great Wall International Investment until the cumulative amount distributed to Great Wall International Investment would provide Great Wall International Investment a preferred return on the First Round Contributions at the rate of eight percent (8%) per annum (simple rate), which rate shall be reduced to 6.68% per annum in the event that Hong Kong profits tax is not payable in respect of the profits arising from Great Wall International Investment's investment in the Fund;
- (c) Third, 100% to Great Wall International Investment until Great Wall International Investment has received, on a cumulative basis, an amount equal to its aggregate Second Round Contributions;
- (d) Fourth, 100% to Great Wall International Investment until the cumulative amount distributed to Great Wall International Investment would provide Great Wall International Investment a preferred return on the Second Round Contributions at the rate of seven percent (7%) per annum (simple rate), which rate shall be reduced to 5.845% per annum in the event that Hong Kong profits tax is not payable in respect of the profits arising from Great Wall International Investment's investment in the Fund;
- (e) Fifth, 100% to CNQC Asset Management until CNQC Asset Management has received, on a cumulative basis, an amount equal to its aggregate Capital Contributions;
- (f) Sixth, 100% to CNQC Asset Management until the cumulative amount distributed to CNQC Asset Management would provide CNQC Asset Management a preferred return at the rate of 11% per annum (simple rate); and
- (g) Thereafter, 100% to Guotsing Asset Management.

Pursuant to the Limited Partnership Agreement, Guotsing Asset Management shall upon written request by Great Wall International Investment or CNQC Asset Management contribute to the Fund an amount as set forth below, which will then be 100% distributed first to Great Wall International Investment and, subsequently to CNQC Asset Management in each of the following circumstances where the Fund suffers losses from the investment of the Target Company (the "Investment Loss"):

(i) If the amount of the Investment Loss does not exceed 50% of the aggregate Capital Contributions of all Partners, Guotsing Asset Management shall upon written request by Great Wall International Investment or CNQC Asset Management, contribute an additional amount to the Fund to the extent that (1) Great Wall International Investment will receive an aggregate amount equal to the sum of the respective distribution as

- described under paragraphs (a) to (d) above; and (2) CNQC Asset Management will receive an aggregate amount equal to the sum of the respective distribution as described under paragraph (e) above; and
- (ii) If the amount of the Investment Loss exceeds 50% of the aggregate Capital Contributions of all Partners, Guotsing Asset Management shall upon written request by Great Wall International Investment or CNQC Asset Management, contribute an additional amount to the Fund to the extent that (1) Great Wall International Investment will receive an aggregate amount equal to the respective distribution as described under paragraphs (a) and (c) above; and (2) CNQC Asset Management will receive an aggregate amount equal to the respective distribution as described under paragraphs (e) above.

#### Management of the Fund

The General Partner shall have the exclusive right to manage and control the Fund and shall have the right to perform all actions necessary, convenient or incidental to the accomplishment of the purposes and authorized acts of the Fund as stipulated under the Limited Partnership Agreement. The Limited Partners shall not have any authority or right to act for or bind the Fund. The General Partner will not receive any management fee.

The board of directors of the General Partner comprises four directors, which (i) one director being appointed by the Company; (ii) one director being appointed by Guotsing Holding; and (iii) two directors being appointed by Great Wall.

The Investment Committee comprises four members, which (i) one member being appointed by the Company; (ii) one member being appointed by Guotsing Holding; and (iii) two members being appointed by Great Wall. The Investment Committee has responsibility for: (i) reviewing and approving proposed investments and divestments of the Fund, and making recommendations in respect thereof to the General Partner acting for itself and on behalf of the Fund; and (ii) any other tasks and authorities delegated to the Investment Committee by the General Partner.

Without the unanimous prior written consent of the board of directors of the General Partner, the Fund shall not (i) incur any indebtedness for borrowed money, (ii) guarantee the obligations of any individual or entity or (iii) otherwise become contingently liable with respect to any indebtedness of any individual or entity. In the event that the board of directors of the General Partner approves any borrowing or financial indebtedness incurred by the Fund pursuant to the Limited Partnership Agreement, (i) all Limited Partners shall, pro rata in accordance with their commitments, guarantee to the relevant lender(s) the full, prompt and complete payment when due of the obligations in connection with the foregoing borrowing or financial indebtedness, and (ii) Guotsing Asset Management shall provide counter-guarantee(s) to Great Wall International Investment with respect to its guarantee(s) made pursuant to the foregoing; provided, however, that the Limited Partners and the General Partner may consent to the other arrangement in writing from time to time. As CNQC Asset Management enjoys a higher rate of return on its aggregate Capital Contributions as compared to those of Great Wall International Investment under the Fund, the Directors are of the view that

the provision of the counter-guarantee(s) by Guotsing Asset Management to only Great Wall International Investment is fair and reasonable and, taking into consideration of the benefits of the Transaction as described in the section headed "Reasons for and Benefits of the Transaction" in this circular as a whole, is in the interest of the Company and its shareholders.

#### THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are set out below:

#### Date

16 May 2017 (after trading hours)

#### Subscriber

**CNQC** Asset Management

Pursuant to the Subscription Agreement, CNQC Asset Management shall (a) irrevocably subscribe for and covenant to purchase from the Fund an interest as a Limited Partner in the Fund with a capital commitment of US\$90 million (equivalent to approximately HK\$700.8 million) to the Fund, representing approximately 32.14% of the Committed Fund Size; (b) covenant to become a Limited partner of the Fund upon acceptance; and (c) covenant to be bound by the terms and provisions of the Limited Partnership Agreement and the Subscription Agreement.

#### **Conditions Precedent**

The acceptance of the Subscription Agreement by the General Partner, the admission of CNQC Asset Management as a Limited Partner and any obligations of CNQC Asset Management to pay or contribute to the Fund under the Subscription Agreement and the Limited Partnership Agreement shall be conditional upon the following conditions being satisfied or waived by CNQC Asset Management:

- (a) execution and delivery of the relevant subscription agreement and the Limited Partnership Agreement by the General Partner, Great Wall International Investment and Guotsing Asset Management; and
- (b) all necessary consent and approval from the shareholders, financial institutions, competent governmental authorities or regulators required to be obtained on the part of CNQC Asset Management in respect of the Subscription Agreement, the Limited Partnership Agreement and the transactions contemplated thereunder, including the approval from the general meeting of the Company having been obtained and remain in full force and effect.

As at the Latest Practicable Date, the condition set out in paragraph (a) had been satisfied.

## INFORMATION ON THE GROUP, THE PARTIES TO THE LIMITED PARTNERSHIP AGREEMENT AND THE TARGET COMPANY

#### The Group and CNQC Asset Management

The Company was incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the Group is principally engaged in property development business in Singapore and the construction business both in Singapore and Hong Kong. CNQC Asset Management is an investment holding company incorporated in the Cayman Islands with limited liability and is a direct wholly-owned subsidiary of the Company.

#### **Great Wall and Great Wall International Investment**

Great Wall is an investment holding company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, Great Wall was interested in approximately 9.93% of the number of issued Shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than the aforesaid shareholding in the Company, Great Wall and its ultimate beneficial owners are third parties independent of the Company and its connected persons. Great Wall International Investment is an investment holding company incorporated in the BVI with limited liability and is a direct wholly-owned subsidiary of Great Wall.

#### **Guotsing Holding and Guotsing Asset Management**

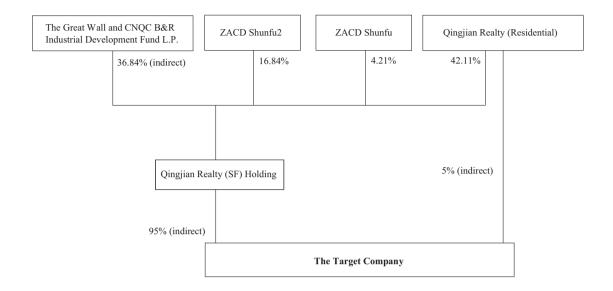
Guotsing Holding is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the Latest Practicable Date, Guotsing Holding was interested in approximately 65.23% of the number of issued Shares and is a controlling Shareholder. Guotsing Asset Management is an investment holding company incorporated in the Cayman Islands with limited liability and is an indirect wholly-owned subsidiary of Guotsing Holding.

#### **General Partner**

General Partner is an exempted company with limited liability incorporated in the Cayman Islands, which is held as to 51%, 25% and 24% by a wholly-owned subsidiary of Great Wall, the CNQC Asset Management and Guotsing Asset Management, respectively. The General Partner is principally engaged in providing management services to the Fund, including investigating, structuring and negotiating the investment in the Target Company and monitoring the performance of the Target Company and advising as to exit strategies.

#### The Target Company

As at the Latest Practicable Date, the shareholding structure of the Target Company is as follows:



The Target Company is a property development company incorporated in Singapore with limited liability. As at the Latest Practicable Date, the Target Company is indirectly held as to 5% by Qingjian Realty (Residential) and 95% by Qingjian Realty (SF) Holding, Qingjian Realty (SF) Holding was in turn held directly by Qingjian Realty (Residential) as to 42.11%, directly by ZACD Shunfu2 as to 16.84%, directly by ZACD Shunfu as to 4.21% and indirectly by the Fund (being the limited partnership between the Initial LP and the General Partner) as to 36.84%. Each of ZACD Shunfu and ZACD Shunfu2 is a fund holding company incorporated in Singapore and is a connected person of the Company at subsidiary level by virtue of being an associate of Mr. Yeo Choon Guan and Ms. Sim Kain ("ZACD Shareholders"), directors of certain subsidiaries of the Company. ZACD Shunfu and ZACD Shunfu2 were introduced to the Group by the ZACD Shareholders, who have been and are currently the co-investors of the Group's 8 completed property development projects and 3 on-going property development projects, through their investment companies. The ZACD Shareholders also through their affiliated real estate agency company provide property sales and marketing services for certain property development projects of the Group. The Company considers that the experience and expertise of ZACD Shareholders in property sales and marketing and property development management would be beneficial to the property development of the Shunfu Ville Enbloc Project and in view of the long term cooperation relationship between the Group and ZACD Shareholders, the Group decided to introduce ZACD Shunfu and ZACD Shunfu2 as co-investors of the Shunfu Ville Enbloc Project. Save as disclosed above, ZACD Shunfu, ZACD Shunfu2 and their respective ultimate beneficial owners have no other prior or present relationship with the Company, Great Wall and Guotsing Holding and their respective associates.

Both the Target Company and Qingjian Realty (SF) Holding were incorporated for the single purpose of carrying out the property development of the Shunfu Ville Enbloc Project in Singapore. The Shunfu Ville Enbloc Project consists of a collective sale of Shunfu Ville, located near the Bishan-Thomson area, which the Group entered into the relevant sale and purchase agreement in May 2016 at a consideration of approximately HK\$3.6 billion. This is the first collective sale of the Group and is one of the largest collective sales in Singapore's history. The site covers an area of approximately 38,000 sq.m. with an estimated gross floor area of over 100,000 sq.m. The Company intends it to be developed as private condominiums with over 1,000 apartments. The collective sale of Shunfu Ville is expected to be completed in July 2017. The contracted property sales are expected to commence in 2018 with the construction of the Shunfu Ville Enbloc Project expected to be completed by 2022.

The estimated total costs of the Shunfu Ville Enbloc Project amount to approximately S\$1.5 billion (equivalent to approximately HK\$8.3 billion), of which approximately S\$0.6 billion (equivalent to approximately HK\$3.6 billion) relates to the total consideration to be paid to the owners of Shunfu Ville under the relevant sale and purchase agreement.

Based on the current plan, the Shunfu Ville Enbloc Project will be financed:

- (i) as to approximately S\$0.7 billion (equivalent to approximately HK\$4.1 billion) with bank borrowings;
- (ii) as to approximately S\$0.1 billion (equivalent to approximately HK\$0.7 billion) with the Fund;
- (iii) as to approximately S\$0.4 billion (equivalent to approximately HK\$2.1 billion) through reinvestment of the proceeds from property sales contracted during the period from 2018 to 2021; and
- (iv) as to approximately S\$0.3 billion (equivalent to approximately HK\$1.4 billion) with coinvestors in the Shunfu Ville Enbloc Project.

The co-investors of the Shunfu Ville Enbloc Project will be (i) the Company, which through Qingjian Realty (Residential) will finance the Shunfu Ville Enbloc Project as to approximately S\$0.2 billion (equivalent to approximately HK\$1.0 billion); and (ii) ZACD Shunfu and ZACD Shunfu2, which will finance the Shunfu Ville Enbloc Project as to approximately S\$0.1 billion (equivalent to approximately HK\$0.4 billion) in aggregate.

#### RISK FACTORS

The potential risk factors associated with the Fund are as follows:

#### The Group may not receive any distribution from the Fund

Although the Fund would distribute the amount of Investment Proceeds equivalent to the Group's aggregate Capital Contributions together with a preferred return at the rate of 11% per annum after distributing to Great Wall International Investment in accordance to the terms and conditions of the Limited Partnership Agreement, there is no guarantee that the Shunfu Ville Enbloc Project would generate the Investment Proceeds for the Fund to distribute the stipulated preferred return to CNQC Asset Management as CNQC Asset Management is ranked behind Great Wall International Investment in terms of the distribution of Investment Proceeds and that the Fund may suffer Investment Loss.

Further, despite the obligation of Guotsing Asset Management to contribute additional amount to the Fund should there be any Investment Loss for distribution to Great Wall International Investment and CNQC Asset Management pursuant to the Limited Partnership Agreement, there is no guarantee that CNQC Asset Management would receive its aggregate Capital Contributions.

#### The Group does not have control over the General Partner

Pursuant to the Limited Partnership Agreement, the General Partner shall have the exclusive right to manage and control the Fund. Although the Group can exert influence through its representative in the board of directors of the General Partner and the Investment Committee, the Group does not have the control over the General Partner and the Investment Committee. Great Wall's interests may not always align with those of the other Limited Partners. If Great Wall's interests conflict with the interests of the other Limited Partners, it may hinder the management and operations of the Fund.

#### REASONS FOR AND BENEFITS OF THE TRANSACTION

The Fund was formed for the purpose of, among other things, achieving capital appreciation through directly or indirectly investing in equity or equity-related securities, fixed income securities, debt securities or convertible bonds issued by the Target Company or loans directly borrowed by the Target Company, which will in turn invest in the Shunfu Ville Enbloc Project. The capital requirement of the Shunfu Ville Enbloc Project comprises different types of development costs including land costs, construction costs, marketing expenses, sales commission and property tax. The introduction of Great Wall and Guotsing Holding as strategic investors in the Target Company through the formation of the Fund will help the Group to finance the Shunfu Ville Enbloc Project and enable the Group to preserve its cash position in anticipation of other potential development opportunities in the future. The Transaction also demonstrated the strategic cooperation between the Company and Great Wall, as detailed in the voluntary announcement of the Company dated 16 May 2017, which will allow both the Company and Great Wall to utilise their respective industry advantages and integrate their resources with a view to increasing the asset valuation of both parties.

The investment in the Shunfu Ville Enbloc Project through the Fund instead of direct subscription of shares in the Target Company by Great Wall International Investment and Guotsing Asset Management would diversify the Group's investment risk in the Shunfu Ville Enbloc Project, while at the same time, provide the Group with a maximum rate of return of 11% on its Capital Contributions, in addition to the potential return generated from Company's direct investment through Oingian Realty (Residential) in the Shunfu Ville Enbloc Project. The introduction of Guotsing Asset Management also further reduces the investment risk of the Group under the Fund as Guotsing Asset Management would contribute additional amount to the Fund should there be any investment loss for the distribution to CNQC Asset Management and Great Wall International Investment, as described in the section headed "Distributions" in this circular. Guotsing Asset Management does not enjoy any preferred return on its Capital Contributions similar to the other Limited Partners and its order of distribution of the Investment Proceeds is ranked behind CNOC Asset Management, both of which are also favourable to the Group. In view of the above and the development potential of the Shunfu Ville Enbloc Project, the Directors (including the independent non-executive Directors) consider that the positive outlook of the Shunfu Ville Enbloc Project and the formation of the Fund for the purpose of investing in the Shunfu Ville Enbloc Project represents a good investment opportunity to the Company to balance the risk and return in respect of the Transaction.

Taking into consideration the reasons for and benefit of the Transaction to the Group, the Directors (including the independent non-executive Directors) are of the view that the Transaction is in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) are also of the view that the terms of the Limited Partnership Agreement and the Subscription Agreement, including the Committed Fund Size which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### IMPLICATIONS OF THE TRANSACTION UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Guotsing Asset Management is an indirect wholly-owned subsidiary of Guotsing Holding, a controlling Shareholder. Guotsing Asset Management is therefore a connected person of the Company by virtue of being an associate of Guotsing Holding. As one or more of the applicable percentage ratios in respect of the Transaction is more than 5%, the Transaction is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISERS

An Independent Board Committee comprising all independent non-executive Directors has been formed to advise the independent Shareholders as to whether the terms of the Transaction is fair and reasonable and in the interests of the Company and the independent Shareholders as a whole, and to advise the independent Shareholders on how to vote (to the extent applicable), taking into account the recommendation of the Independent Financial Adviser. The Company has appointed Altus Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in respect of the Transaction.

#### **EGM**

A notice convening the EGM to be held at Room 601, 6/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong on 17 August 2017 (Thursday) at 11:30 a.m. is set out on pages EGM-1 to pages EGM-2 of this circular. An ordinary resolution will be proposed at the EGM to consider, and if thought fit, to approve the Transaction.

A proxy form for use at the EGM is enclosed herewith. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

#### **VOTING AT THE EGM AND BOARD MEETINGS**

As at the Latest Practicable Date, Guotsing Holding and its associates, including CNQC Development Limited, held 932,338,306 Shares, representing 65.23% of the entire issued share capital of the Company and Great Wall and its associates held 142,000,000 Shares, representing 9.93% of the entire issued share capital of the Company. Guotsing Holding and Great Wall, being the holding company of Guotsing Asset Management and Great Wall International Investment respectively, have material interests in the Transaction. Therefore, Guotsing Holding, Great Wall and their respective associates are required to abstain from voting on the relevant resolution to be proposed at the EGM to approve the Transaction. Save as disclosed above, no other Shareholder would be required to abstain from voting to approve the Transaction.

Save for Mr. Wang Congyuan, being a director of Guotsing Asset Management, has abstained from voting on the relevant resolutions of the Board to approve the Transaction, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors was in any way materially interested in the Transaction and therefore none of the Directors had abstained from voting in the board meeting approving the Transaction.

#### RECOMMENDATION

Your attention is drawn to the letter of the Independent Board Committee set out on pages 19 to 20 of this circular, and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders set out on pages 21 to 44 of this circular in respect of the Transaction.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that the terms of the Limited Partnership Agreement and the Subscription Agreement, including the Committed Fund Size, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable, and the Transaction is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the independent Shareholders to vote in favour of the resolution to be proposed for approving the Transaction.

The Board (including the members of the Independent Board Committee) considers that the terms of the Limited Partnership Agreement and the Subscription Agreement, including the Committed Fund Size, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable, and the Transaction is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the members of the Independent Board Committee) recommend the independent Shareholders to vote in favour of the resolution to be proposed as set out in the notice of the EGM.

#### ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
CNQC International Holdings Limited
Cheng Wing On Michael
Chairman



(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1240)

31 July 2017

To the Shareholders

Dear Sir or Madam,

#### DISCLOSABLE AND CONNECTED TRANSACTION IN RELATION TO THE FORMATION OF INVESTMENT FUND

We refer to the circular dated 31 July 2017 issued by the Company of which this letter forms part of (the "Circular"). Capitalised terms used in this letter shall have the same meaning as those defined in the Circular unless otherwise specified.

We have been authorized by the Board to form the Independent Board Committee to consider and advise the independent Shareholders in respect of the Transaction, details of which are set out in the section headed "Letter from the Board" contained in the Circular.

We wish to draw your attention to the letter from the Board set out on pages 5 to 18 of the Circular and the letter of advice from Altus Capital Limited, the Independent Financial Adviser appointed to advise the Independent Board Committee and the independent Shareholders on the terms of the Transaction, set out on pages 21 to 44 of the Circular.

Having considered, among other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice and the terms and conditions of the Limited Partnership Agreement and the Subscription Agreement, we consider that the terms of the Limited Partnership Agreement and the Subscription Agreement, including the Committed Fund Size, which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable, and the Transaction and the entering into of the Limited Partnership Agreement and the Subscription Agreement are in the interests of the Company and the Shareholders as a whole.

#### LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the independent Shareholders to vote in favour of the resolution to be proposed at the EGM in respect of the Limited Partnership Agreement, the Subscription Agreement and the Transaction.

Yours faithfully,
for and on behalf of the Independent Board Committee
CNQC International Holdings Limited
Mr. Chuck Winston Calptor
Mr. Ching Kwok Hoo, Pedro
Mr. Tam Tak Kei, Raymond
Mr. Chan Kok Chung, Johnny
Independent non-executive Directors

The following is the text of a letter of advice from, the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders in relation to the Transaction, which has been prepared for the purpose of incorporation in this circular.



31 July 2017

To the Independent Board Committee and the independent Shareholders

CNQC International Holdings Limited Unit 601, 6/F Exchange Tower 33 Wang Chiu Road Kowloon Bay Hong Kong

Dear Sir or Madam,

## DISCLOSABLE AND CONNECTED TRANSACTION IN RELATION TO THE FORMATION OF INVESTMENT FUND

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the independent Shareholders in respect of the Transaction. Details of the Transaction, which is the formation of the Fund pursuant to the terms of the Limited Partnership Agreement and the Subscription Agreement, are set out in the "Letter from the Board" contained in the circular of the Company dated 31 July 2017 (the "Circular"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

#### LISTING RULES IMPLICATION

#### Discloseable transaction

As one or more of the applicable percentage ratios in respect of the Transaction is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **Connected transaction**

As at the Latest Practicable Date, Guotsing Holding and its associates own 932,338,306 Shares, representing approximately 65.2% of the entire issued share capital of the Company. Guotsing Asset Management is an indirect wholly-owned subsidiary of Guotsing Holding. Guotsing Asset Management is therefore a connected person of the Company by virtue of being an associate of Guotsing Holding. Accordingly, the Transaction constitutes as a connected transaction and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee (comprising all the independent non-executive Directors, namely, Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro, Mr. Tam Tak Kei, Raymond and Mr. Chan Kok Chung, Johnny) has been established to advise the independent Shareholders as to (i) whether the Transaction is in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Company and the independent Shareholders as a whole; and (ii) how to vote in respect of the resolution to be proposed at the EGM for approving the Transaction.

#### INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the independent Shareholders with regards to (i) whether the Transaction was entered into in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Transaction are on normal commercial terms and fair and reasonable insofar as the independent Shareholders are concerned; and (iii) how the independent Shareholders should vote in respect of the resolution to be proposed at the EGM for approving the Transaction.

Altus Capital Limited has previously acted as an independent financial adviser to the Company with regards to (i) a very substantial acquisition and connected transaction in relation to an acquisition (details of which are set out in the circular of the Company dated 25 September 2015); (ii) a major and connected transaction in relation to an acquisition (details of which are set out in the circular of the Company dated 23 June 2016); and (iii) the proposed refreshment of general mandate in relation to shares issue (details of which are set out in the circular of the Company dated

7 December 2016). Save for the aforesaid transactions, we have not acted as an independent financial adviser for transactions of the Company for the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the Transaction is at market level and not conditional upon successful passing of the resolution to be proposed at the EGM, and that our engagement is on normal commercial terms, we are independent of the Company.

#### BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the Limited Partnership Agreement (as amended and supplemented on 14 July 2017); (ii) the Subscription Agreement; (iii) the annual reports of the Company for the years ended 31 December 2015 and 2016; (iv) the announcements of the Company dated 25 August 2016, 10 May 2017 and 16 May 2017; and (v) other information as set out in the announcement dated 16 May 2017 in relation to the Transaction and the Circular. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the "Management"). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and that there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company and the Management have been reasonably made after due and careful enquiry and have relied on such statements, information, opinions and representations. We consider that we have been provided with, and have reviewed sufficient information to reach an informed view, and to provide a reasonable basis for our opinion. We have not, however, conducted independent investigation into the business, financial conditions and affairs or future prospects of the Group.

#### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have considered the principal factors and reasons set out below:

#### 1. BACKGROUND OF THE GROUP

#### 1.1 Principal businesses of the Group

We refer to the Company's annual reports for the years ended 31 December 2015 ("2015 Annual Report") and 2016 ("2016 Annual Report"). The Company is an investment holding company. The Group is mainly engaged in the property development business in Singapore and construction business in both Singapore and Hong Kong.

In 2015, Guotsing Holding injected residential property development and construction projects in Singapore into the Group ("2015 Asset Injection"). The Group has since focused on the development and sale of condominiums in Singapore. As at 31 December 2016, the Group held the majority interest in four property developments in Singapore, three of which were executive condominium developments. As at the same date, it was also interested as to approximately 46.0% in another executive condominium development in Singapore.

The Group, leveraging on the growth of its business scale in Singapore, plans to expand its construction and property development businesses along the Belt and Road of the "One Belt, One Road" Initiative. To support the Group's expansion, it intends to make use of the financing options available.

#### 1.2 Financial information of the Group

Set out below is a summary of the Group's consolidated profit and loss account for the two years ended 31 December 2016.

	For the year ended 31 December	
	2015	2016
	HK\$'000	HK\$'000
	(audited)	(audited)
Revenue		
— Real estate development in Singapore	6,378,645	4,591,014
— Construction in Singapore	3,003,074	2,399,700
<ul> <li>Foundation and construction</li> </ul>		
in Hong Kong and Macau	1,671,737	1,615,002
	11,053,456	8,605,716
Gross profit	1,805,842	1,288,155
Profit for the year attributable to owners of the Company	577,317	585,385

Source: 2016 Annual Report

The Group mainly derived its revenue from real estate development and construction in Singapore, which constituted its largest and second largest streams of revenue respectively for the years ended 31 December 2015 and 2016.

Revenue for the year ended 31 December 2016 was approximately HK\$8.6 billion, representing a decrease of approximately 22.1% from approximately HK\$11.1 billion for the year ended 31 December 2015. The decrease was mainly due to a drop of approximately 28.0% over the previous financial year in the revenue derived from real estate development in Singapore, from approximately HK\$6.4 billion to approximately HK\$4.6 billion. The price and saleable areas of private condominiums, which accounted for most of the Group's property sales in Singapore in 2015, were higher than those of executive condominiums, which accounted for most of the Group's property sales in Singapore in 2016.

The Group's gross profit for the year ended 31 December 2016 was approximately HK\$1.3 billion, representing a decrease of 28.7% from approximately HK\$1.8 billion for the year ended 31 December 2015, and its gross profit margin for the year ended 31 December 2016 was approximately 15.0%, down from approximately 16.3% for the year ended 31 December 2015. The slight decrease was mainly due to higher labour cost and subcontractor charges during the year ended 31 December 2016, offset by certain cost efficiencies achieved by the Group.

The Group reported profit for the year attributable to owners of the Company of approximately HK\$585.4 million for the year ended 31 December 2016, representing an increase of approximately 1.4%, as compared to approximately HK\$577.3 million for the year ended 31 December 2015.

Set out below is a summary of the Group's consolidated balance sheet for the two years ended 31 December 2016.

	As at 31 Dec	As at 31 December	
	2015	2016	
	HK\$'000	HK\$'000	
	(audited)	(audited)	
Non-current assets	1,009,582	2,030,106	
Current assets	13,917,090	12,741,566	
Total assets	14,926,672	14,771,672	
Non-current liabilities	4,538,431	3,241,151	
Current liabilities	8,907,448	8,468,448	
Total liabilities	13,445,879	11,709,599	
Net asset value	1,480,793	3,062,073	
Investment properties under development	_	426,723	
Cash and cash equivalents	1,625,816	1,792,639	
- Pledged bank deposits	273,850	223,696	
Development properties for sale	9,137,882	8,758,473	
Total borrowings	7,923,332	6,707,048	
Gearing ratio (Note)	80.3%	60.5%	

Source: 2016 Annual Report

Note: Gearing ratio is defined as the net debt divided by total equity plus net debt, where net debt is defined as borrowings less cash and cash equivalents and pledged bank deposits.

The Group had maintained a stable asset base since the 2015 Asset Injection with total assets of approximately HK\$15.0 billion as at 31 December 2015 and 2016, most of which were liquid assets. Development properties for sale were the Group's largest asset class, accounting for approximately 68.7% and 59.3% of its current assets and total assets respectively as at 31 December 2016. The Group maintained cash and cash equivalents of over HK\$1.6 billion as at 31 December 2015 and 2016 respectively. Excluding the funds in the maintenance fund accounts for the upkeep of the completed development properties and the project accounts, the Group maintained cash at banks and on hand of approximately HK\$1.1 billion and HK\$1.3 billion and had short term bank deposits of approximately HK\$82.8 million and HK\$131.2 million as at 31 December 2015 and 2016 respectively. As at 31 December 2016, the Group had investment properties under development amounting to approximately HK\$0.4 billion.

The Group's net asset value grew from approximately HK\$1.5 billion as at 31 December 2015 to approximately HK\$3.1 billion as at 31 December 2016, mainly due to share placements and subscriptions during 2016 and higher retained earnings. The Group's total borrowings decreased from approximately HK\$7.9 billion as at 31 December 2015 to approximately HK\$6.7 billion as at 31 December 2016. Its gearing ratio improved significantly from approximately 80.3% as at 31 December 2015 to 60.5% as at 31 December 2016, mainly due to repaid loans.

#### 1.3 Outlook of the Group

As mentioned in the paragraph headed "1.2 Financial information of the Group" above, the Group mainly derived its revenue for the year ended 31 December 2016 from (i) development of executive condominiums in Singapore and (ii) construction in Singapore, in the private and public sectors.

Based on the real estate statistics for the first quarter of 2017 published by the Urban Redevelopment Authority of Singapore, private housing prices fell approximately 0.4% in the first quarter of 2017, compared with the 0.5% decline in the previous quarter. While the Additional Buyer's Stamp Duty continues to apply, the Seller's Stamp Duty rates were lowered by four points for each tier, and the Total Debt Servicing Ratio ceased to apply to mortgage equity withdrawal loans with a loan to value ratio of 50% and below, in March 2017. Taking into account the aforesaid, the Management believes that Singapore property prices and rental will gently regain their momentum in 2017 and onwards.

From the aforementioned real estate statistics, it is noted that developers sold 1,072 executive condominiums in the first quarter of 2017, as compared to 762 in the corresponding period in 2016. Yearly sales of executive condominiums in 2014, 2015 and 2016 were 1,578, 2,550 and 3,999 units respectively, increasing 61.6% from 2014 to 2015 and 56.8% from 2015 to 2016 year-on-year.

According to a media release of the Building and Construction Authority of Singapore, the projected total construction demand for 2017 is between S\$28.0 billion (equivalent to approximately HK\$156.8 billion) and S\$35.0 billion (equivalent to approximately HK\$196.0 billion), higher than the preliminary estimate of S\$26.1 billion (equivalent to approximately HK\$146.2 billion) in 2016. Approximately 70.0% of the total construction demand is expected to be driven by the public sector.

Accordingly, the Management is confident in the Group's business growth in Singapore. Moreover, as mentioned in the paragraph headed "1.1 Principal businesses of the Group" above, we understand from the Management that the Group intends to leverage on such growth to explore real estate development and construction opportunities along the Belt and Road of the "One Belt, One Road" Initiative. With reference to the Company's voluntary announcement dated 25 August 2016, the Group secured its first sizeable construction project outside Singapore, in Indonesia, since the 2015 Asset Injection with this strategy. In addition, with reference to the Company's voluntary announcement dated 16 May 2017, the Company has entered into a strategic cooperation agreement with Great Wall ("Strategic Cooperation Agreement"), whereby the Company expects to enhance cooperation between their established investment funds; further expand their resources for property development projects; and increase the magnitude of their cooperation and focus on the development of "Belt and Road" asset funds, such that both the Company and Great Wall will utilise their respective industry advantages and integrate their resources with a view to increase both their asset valuations.

## 2. BACKGROUND OF THE TARGET COMPANY AND THE SHUNFU VILLE ENBLOC PROJECT

#### 2.1 The Target Company

The Target Company is a property development company incorporated in Singapore with limited liability. As at the Latest Practicable Date, interest in the Target Company was attributable as to approximately 35.0%, 45.0% and 20.0% to the Fund established on 12 April 2017 (being the limited partnership between the Initial LP and General Partner); the Company; and ZACD Shunfu and ZACD Shunfu2 respectively.

On 19 May 2016, the Target Company entered into a conditional sale and purchase agreement ("Sale and Purchase Agreement") with the collective sale committee acting on behalf of the owners of Shunfu Ville (a voluntary announcement dated 22 May 2016 was made by the Company in this respect and further details are described in the paragraph headed "2.2 The Shunfu Ville Enbloc Project" below) for a collective sale at a total consideration of S\$638.0 million (equivalent to approximately HK\$3.6 billion) for redevelopment purposes.

The Fund was formed for the purpose of investing in the Target Company. The Target Company will, in turn, invest in the Project (as defined in the paragraph headed "2.2 The Shunfu Ville Enbloc Project" below).

#### 2.2 The Shunfu Ville Enbloc Project

Shunfu Ville is a residential development in the Bishan/Thomson area, which the Company has agreed to purchase and intends to redevelop into over 1,000 units of private condominiums with approximately 1.1 million square feet of saleable floor area (the "**Project**").

The Directors are of the view that the Project has a positive outlook, as Shunfu Ville is strategically located, near amenities and schools, between two MRT stations and connected via two expressways. The Company focuses on selecting and developing well-located land banks that offer strong and unique selling propositions, as stated in the 2016 Annual Report.

Completion of the Sale and Purchase Agreement (as defined in the paragraph headed "2.1 The Target Company" above) is subject to several conditions including, but not limited to, the approvals from various government authorities in Singapore and successful application for a collective sale order. In January 2017, the High Court of Singapore approved the collective sale of Shunfu Ville. However, in February 2017, two property owners filed an appeal against the approval. As stated in the Company's voluntary announcement dated 10 May 2017, the Board was informed that the Court of Appeal of Singapore had dismissed that appeal.

The Directors confirm that the Sale and Purchase Agreement is no longer conditional and that the acquisition of Shunfu Ville contemplated thereunder will proceed. Contracted property sales are expected to commence in 2018. Construction is expected to be completed by 2022.

According to the Management, the estimated total costs of the Project amount to approximately S\$1.5 billion (equivalent to approximately HK\$8.3 billion), of which approximately S\$0.6 billion (equivalent to approximately HK\$3.6 billion) relates to the total consideration to be paid to the owners of Shunfu Ville under the Sale and Purchase Agreement.

As set out in the 2016 Annual Report: "On the basis of successful completion of the sale and purchase agreement, the Directors expect that the cash outflows within the next twelve months from the date of the consolidated statement of financial position will mainly comprise the consideration stipulated in the conditional sale and purchase agreement and the corresponding stamp duties and lease premium payable to the government authorities in Singapore arising from the approval of the redevelopment plan, amounting to approximately HK\$5.2 billion in aggregate." Given that the amount is significant compared to the cash and cash equivalents of approximately HK\$1.8 billion and net current assets of approximately HK\$4.3 billion of the Group as at 31 December 2016, the Company has been negotiating with various banks and strategic investors to finance the relevant costs of the Project. We understand from the Management that the Project will be financed:

(i) as to approximately S\$0.7 billion (equivalent to approximately HK\$4.1 billion) with bank borrowings;

- (ii) as to approximately S\$0.1 billion (equivalent to approximately HK\$0.7 billion) with the Fund;
- (iii) as to approximately S\$0.4 billion (equivalent to approximately HK\$2.1 billion) through reinvestment of the proceeds from property sales contracted during the period from 2018 to 2021; and
- (iv) as to approximately S\$0.3 billion (equivalent to approximately HK\$1.4 billion) with co-investors in the Project.

We understand from the Management that the co-investors will be (i) the Company, which will finance the Project as to approximately S\$0.2 billion (equivalent to approximately HK\$1.0 billion); and (ii) ZACD Shunfu and ZACD Shunfu2, which will finance the Project as to approximately S\$0.1 billion (equivalent to approximately HK\$0.4 billion) in aggregate.

The Management believes that the formation of the Fund to invest in the Target Company and the funding method of the Project in the manner set out above will enable the Group to preserve its cash for other development projects when opportunity arises in the future as well as adhere to its strategy under the Strategic Cooperation Agreement as set out in the paragraph headed "1.3 Outlook of the Group" above.

#### 3. PRINCIPAL TERMS OF THE LIMITED PARTNERSHIP AGREEMENT

#### 3.1 Purpose of the Fund

The purpose of the Fund is primarily to achieve capital appreciation, through directly or indirectly investing in equity, equity-related securities, fixed income securities, debt securities or convertible bonds issued by the Target Company or loans directly or indirectly borrowed by the Target Company. For the avoidance of doubt, the General Partner may, in its sole discretion, employ various methods to structure the investment in the Target Company (the "Partnership Business"). The Target Company will, in turn, invest in the Project.

As mentioned in the paragraph headed "1. Background information of the Group" above, (i) the Group's principal business activities include property development in Singapore; (ii) the Group generated most of its income for the years ended 31 December 2015 and 2016 from the sales of condominiums developed in Singapore; and (iii) executive condominiums comprised most of the Group's portfolio as at 31 December 2016. Investment in the Project is therefore in the Group's usual and ordinary course of business (albeit the formation of the Fund to carry out such investment is not in the Group's usual and ordinary course of business).

The unanimous written consent of the investment committee established by the General Partner (the "Investment Committee") and the board of directors of the General Partner (the "General Partner Board") are required for the Fund to make any investments other than the Target Company. Given that (i) the Target Company had entered into the Sale and Purchase Agreement for the Project; and (ii) the expected outlay to generate income from the Project, we consider that such measure against diversion of the Fund into investments other than the Project is in the interests of the Company and the Shareholders as a whole.

#### 3.2 Commencement and duration of the Fund

The Fund was established on 12 April 2017 by an initial exempted limited partnership agreement entered into between the General Partner and the Initial LP. Pursuant to the Limited Partnership Agreement, Initial LP shall withdraw as a limited partner of the Fund while CNQC Asset Management, Guotsing Asset Management and Great Wall International Investment shall be admitted as Limited Partners on the first date on which the General Partner, on behalf of the Funds, accepts the relevant subscription agreements (including the Subscription Agreement) upon the conditions set forth in the relevant subscription agreements being satisfied or waived by the relevant Partners (the "Initial Closing Date").

Subject to winding up or dissolution of the Fund pursuant to the Limited Partnership Agreement, the Fund shall continue until the expiry of five years from the Initial Closing Date, provided that the term may be extended by General Partner at its sole discretion for any longer period.

We understand from the Management that such duration was determined with reference to the expected development timeframe of the Project. As mentioned in the paragraph headed "2.2 The Shunfu Ville Enbloc Project" above, the acquisition of Shunfu Ville contemplated under the Sale and Purchase Agreement will proceed in 2017; contracted property sales are expected to commence in 2018; and construction is expected to be completed by 2022. In view of the aforesaid expected development timeframe of the Project, the Management believes, and we concur, that the duration of the Fund with an initial period of five years from the Initial Closing Date is fair and reasonable.

#### 3.3 Capital Commitments and Contributions

The Committed Fund Size of the Fund shall be US\$280.0 million (equivalent to approximately HK\$2.2 billion) and represents the aggregate maximum commitment of the Limited Partners. The commitment of the General Partner of the Fund shall be US\$1.00. The table below sets out the respective maximum commitment of the Limited Partners of the Fund.

		Percentage of total
Limited Partners of the Fund	<b>Commitments</b>	commitments
	US\$ million	%
CNQC Asset Management	90	32.1
Great Wall International Investment	184	65.7
Guotsing Asset Management	6	2.1
Total	280	100.0

We understand from the Management that the Committed Fund Size was determined with reference to the anticipated capital requirements as at the date of the Limited Partnership Agreement, which were approximately S\$0.4 billion (approximately HK\$2.1 billion), as the amount of co-investment in the Project, which will be approximately S\$0.3 billion (approximately HK\$1.4 billion), had not been determined at the time. We further understand from the Management that they resolved to retain the Committed Fund Size (notwithstanding the aforementioned co-investment) for flexibility of the Fund to make other investments, subject to the unanimous written consent of the Investment Committee and the General Partner Board.

We understand from the Management that the respective commitments of the Limited Partners of the Fund were determined after arm's length negotiation and sought with reference to (i) the cash position of the Group; and (ii) the progress of the various property development and/or construction projects carried out by the Group. According to the Management, the Company will draw on its internal resources to meet CNQC Asset Management's commitment under the Limited Partnership Agreement and the Subscription Agreement. Given that (i) the Group had maintained cash at banks and on hand of approximately HK\$1.4 billion as at 31 December 2016; (ii) the Management is not aware of any major delays or any material funding requirements for the various property development and/or construction projects carried out by the Group; and (iii) the Management is not aware of any material adverse development in the Singapore property market, the Management believes, and we concur, that the Group has sufficient resources to meet CNQC Asset Management's commitment under the Limited Partnership Agreement and the Subscription Agreement, and that CNQC Asset Management's commitment is acceptable.

Each of the Limited Partners shall contribute capital to the Fund proportionally in accordance with their respective commitment upon notice from the General Partner, at such time as the General Partner shall deem appropriate but with the unanimous approval of the Investment Committee. As mentioned in the paragraph headed "3.4.1 The General Partner" below, we understand that the composition of the Investment Committee will be the same as that of the General Partner Board, and the Company has 25% nomination rights to the General Partner Board. As such, the Limited Partners will jointly control the timing and amounts of the Capital Contributions. In view of such control, the Management believes, and we concur, that the Group will have the flexibility to manage the timing and amounts of CNQC Asset Management's Capital Contributions in accordance with the Group's available financial resources.

We note that the Project will be funded as to approximately \$\$0.1 billion (equivalent to approximately HK\$0.7 billion) with the Fund, representing approximately 33.8% of the Committed Fund Size. However, as set out in the paragraph headed "3.1 Purpose of the Fund", (i) the unanimous written consent of the Investment Committee and the General Partner Board is required for the Fund to make any investments other than the Target Company; and (ii) each of the Limited Partners shall contribute capital to the Fund proportionally in accordance with their respective commitment upon notice from the General Partner, at such time as the General Partner shall deem appropriate but with the unanimous approval of the Investment Committee.

As the Company has 25% appointment rights in respect of the General Partner Board, and we understand from the Company that the composition of the Investment Committee shall be the same as that of the General Partner Board, Capital Contributions in excess of the total costs of the Project will not be sought by the General Partner, and investments other than the Target Company will not be made, without the consent of CNQC Asset Management. Taking into account the above, the Management is of the view, and we concur, that the Capital Contributions will be fairly and reasonably determined in a manner that is in the interests of the Company and the Shareholders as a whole.

#### 3.4 Management of the Fund

#### 3.4.1 The General Partner

The General Partner shall have the exclusive right to manage and control the Partnership. In furtherance of the Partnership Business, the General Partner is responsible for, amongst other things, (i) directing the formulation of investment policies and advising exit strategies for the Fund; (ii) monitoring the performance of the Fund's investments; and (iii) whatever action as may be, in its discretion, necessary or advisable in respect of the Target Company, including, but not limited to, designation of its board of directors. The General Partner shall delegate certain responsibilities to the Investment Committee. We understand from the Company that the composition of the Investment Committee will be the same as that of the General Partner Board.

The General Partner Board comprises four directors: (i) one appointed by the Company; (ii) one appointed by Guotsing Holding; and (iii) two appointed by Great Wall. Great Wall International Investment is an investment holding company and a direct wholly-owned subsidiary of Great Wall.

Given that the percentage commitment of Great Wall International Investment of 65.7% is the greatest, we consider that the appointment rights of Great Wall are generally proportional to Great Wall International Investment's commitment to the Fund. While the percentage commitment of CNQC Asset Management of 32.1% is greater than that of Guotsing Asset Management of 2.1%, we note that Guotsing Asset Management has greater exposure to Investment Loss (as further described in the paragraph headed "3.5 Distributions" below) than CNQC Asset Management. We therefore consider that the appointment rights of the Limited Partners and alignment of their interests with those of the General Partner are fair and reasonable.

The General Partner may only be removed for cause by the affirmative vote of 75% of the Limited Partners. The Limited Partners have voting rights proportionate to their percentage interest in the Limited Partnership Agreement. None of the Limited Partners' percentage interest in the Limited Partnership is over than 75%. As such, none of the Limited Partners have the voting rights to unilaterally remove the General Partner. Given the alignment of their interests with those of the General Partner, we consider that such entrenchment of the General Partner in the Fund is fair and reasonable.

Consent of the General Partner Board is required to, amongst other things, (i) admit additional limited partners; and (ii) transfer existing interests of Limited Partners. In particular, without the unanimous consent of General Partner Board, the Fund shall not (i) incur any indebtedness for borrowed money; (ii) guarantee the obligations of any individual or entity; or (iii) otherwise become contingently liable with respect to any indebtedness of any individual or entity. As CNQC Asset Management has 25% nomination rights to the General Partner Board, consent of CNQC Asset Management is required for the aforementioned actions of the Fund. As such, we consider that such terms are in the interests of the Company and the Shareholders as a whole.

We also understand from the Management that the appointment rights of the Limited Partners in respect of the board of the Target Company ("Target Company Board") will be proportional to their appointment rights in respect of the General Partner Board. For the reasons that we consider the appointment rights in respect of the General Partner Board fair and reasonable, as explained above, we consider that their appointment rights in respect of the Target Company Board also fair and reasonable. We also consider such alignment of appointment rights between the Target Company Board and General Partner Board to be in the interests of the Company and the Shareholders as a whole.

# 3.5 Distributions

The table below summarises the rate of return of the Limited Partners in the order of distribution:

Order	Limited Partner	Distribution
1.	Great Wall International Investment	Until Great Wall International Investment has received, on a cumulative basis, an aggregate amount equal to its aggregate First Round Contributions (Note)
2.	Great Wall International Investment	Until the cumulative amount distributed to Great Wall International Investment would provide Great Wall International Investment a preferred return on the First Round Contributions at the rate of 8% per annum (simple rate), which shall be reduced to 6.68% per annum in the event that Hong Kong profits tax is not payable in respect of the profits arising from Great Wall International Investment's investment in the Partnership

Order	Limited Partner	Distribution
3.	Great Wall International Investment	Until Great Wall International Investment has received, on a cumulative basis, an amount equal to its aggregate Second Round Contributions (Note)
4.	Great Wall International Investment	Until the cumulative amount distributed to Great Wall International Investment would provide Great Wall International Investment a preferred return on the Second Round Contributions at the rate of 7% per annum (simple rate), which shall be reduced to 5.845% per annum in the event that Hong Kong profits tax is not payable in respect of the profits arising from Great Wall International Investment's investment in the Partnership
5.	CNQC Asset Management	Until CNQC Asset Management has received, on a cumulative basis, an amount equal to its aggregate Capital Contributions
6.	CNQC Asset Management	Until the cumulative amount distributed to CNQC Asset Management would provide CNQC Asset Management a preferred return at the rate of 11% per annum (simple rate)
7.	Guotsing Asset Management	Remainder of the investment proceeds received by the Fund ("Remainder")

Note: We understand from the Management, that under the Limited Partnership Agreement, the First Round Contributions refer to the aggregate Capital Contributions of Great Wall International Investment up to US\$27.7 million (equivalent to approximately HK\$215.7 million) and the Second Round Contributions refer to the aggregate Capital Contributions of Great Wall International Investment subsequent to the First Round Contributions up to US\$156.3 million (equivalent to approximately HK\$1.2 billion).

Pursuant to the Limited Partnership Agreement, Guotsing Asset Management shall upon written request by Great Wall International Investment or CNQC Asset Management contribute to the Fund an amount as set forth below, which will then be 100% distributed first to Great Wall International Investment, and subsequently, to CNQC Asset Management in each of the following circumstances where the Fund suffers loss from the investment of the Target Company ("Investment Loss"):

- (i) If the amount of the Investment Loss does not exceed 50% of the aggregate Capital Contributions of all Partners, Guotsing Asset Management shall contribute an additional amount to the Fund to the extent that Great Wall International Investment will receive an aggregate amount equal to its aggregate Capital Contributions and returns thereon; and CNQC Asset Management will receive an aggregate amount equal to its aggregate Capital Contributions; and
- (ii) If the amount of the Investment Loss exceeds 50% of the aggregate Capital Contributions of all Partners, Guotsing Asset Management shall contribute an additional amount to the Fund to the extent that Great Wall International Investment will receive an aggregate amount equal to its aggregate Capital Contributions; and CNQC Asset Management will receive an aggregate amount equal to its aggregate Capital Contributions.

Guotsing Asset Management shall receive the Remainder. We note that in the event the Fund incurs any borrowing or financial indebtedness, all Limited Partners shall, pro rata in accordance with their commitments, guarantee to the relevant lender(s) the full, prompt and complete payment when due of the obligations in connection with the foregoing borrowing or financial indebtedness, whereas Guotsing Asset Management shall also provide counter-guarantee(s) to Great Wall International Investment with respect to its guarantee(s) made pursuant to the foregoing ("Counter-Guarantee(s)"). As Guotsing Asset Management shall (i) make certain contributions to the Fund in the event of Investment Loss; (ii) provide the Counter-Guarantee(s); and (iii) unlike Great Wall International Investment and the Company, does not enjoy any preferred return on its Capital Contributions or any assurance that its return (if any) on its Capital Contributions will be at an effective rate greater than, or equal to, any of the rates of return on the Capital Contributions of the other Limited Partners, the Management believes, and we concur, that it is fair and reasonable for Guotsing Asset Management to receive the Remainder.

We note that the Company receives its return of Capital Contributions and return on Capital Contributions after Great Wall International Investment receives theirs; and that Guotsing Asset Management provides the Counter-Guarantee(s) to Great Wall International Investment but not the Company. The Management believes, and we concur, that the order of distribution and the provision of the Counter-Guarantee(s) are fair and reasonable, given that Great Wall International Investment receives a lower rate of return than the Company as shown in the table above.

# 3.6 Section summary

Given that (i) the formation of the Fund is a form of cooperation with Great Wall, as contemplated under the Strategic Cooperation Agreement, mentioned in the paragraph headed "1.3. Outlook of the Group" above; (ii) the Fund has a predetermined purpose and duration that corresponds to the Project's needs; (iii) as CNQC Asset Management's capital contributions will represent approximately 2.9% of the total costs of the Project, the formation of the Fund enables the Group to embark on the Project with less capital commitment than had the Group decided to fund the Project in full, thereby preserving a significant amount of cash that the Group may invest in other development projects when opportunity arises; (iv) the Group has sufficient resources to meet CNQC Asset Management's commitment under the Limited Partnership Agreement; and (v) the principal terms of the Limited Partnership Agreement, including those pertaining to the management of the Fund and distributions of Investment Proceeds, are fair and reasonable, we consider that the terms of the Limited Partnership Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

#### 4. PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Pursuant to the Subscription Agreement, CNQC Asset Management shall (i) irrevocably subscribe for and covenant to purchase from the Fund an interest as a Limited Partner in the Fund with a capital commitment of US\$90 million (equivalent to approximately HK\$700.8 million), which is the same amount of commitment under the Limited Partnership Agreement; (ii) covenant to become a Limited Partner upon acceptance, which as mentioned under the Limited Partnership Agreement, the admission of each of the Limited Partners will be listed as a Limited Partner in the register. As such, the terms of the Subscription Agreement are consistent with those of the Limited Partnership Agreement and administrative in nature. We note that (i) the terms of the Subscription Agreements are no less favourable than those of the subscription agreements to which the other Limited Partners will enter and that (ii) all Limited Partners must execute their respective subscription agreements for the General Partner to accept any one subscription agreement. As such, we consider that the terms of the Subscription Agreement are fair and reasonable.

#### 5. BACKGROUND OF THE LIMITED PARTNERS

# 5.1 Great Wall and Great Wall International Investment

Great Wall is an investment holding company incorporated in Hong Kong with limited liability. As at the Latest Practicable Date, Great Wall is interested in approximately 9.9% of the number of issued Shares. Great Wall International Investment is a direct wholly-owned subsidiary of Great Wall.

We refer to the annual report of Great Wall Pan Asia Holdings Limited (stock code: 583) ("Great Wall Pan Asia") for the year ended 31 December 2016. Great Wall is a whollyowned subsidiary of China Great Wall Asset Management Co., Ltd., ("China Great Wall") and its wholly-owned subsidiary is the controlling shareholder of Great Wall Pan Asia. China Great Wall is principally engaged in non-performing asset management, investment and asset management and integrated financial services, and China Great Wall is one of the four largest asset management companies in the PRC.

Great Wall Pan Asia is principally engaged in property investment in Hong Kong and as at the Latest Practicable Date, had a market capitalisation of approximately HK\$3.6 billion. Its net asset value attributable to shareholders as at 31 December 2016 was approximately HK\$1.6 billion.

# 5.2 Guotsing Holding and Guotsing Asset Management

As at the Latest Practicable Date, Guotsing Holding is interested in approximately 65.2% of the number of issued Shares and is a controlling Shareholder. Guotsing Asset Management is an indirect wholly-owned subsidiary of Guotsing Holding.

# 6. REASONS FOR AND BENEFITS OF ENTERING INTO THE LIMITED PARTNERSHIP AGREEMENT

As mentioned in the paragraph headed "1. Background of the Group" above, the Group is mainly engaged in property development business in Singapore and construction business in both Singapore and Hong Kong. Sales of condominiums were the Group's main source of income in 2015 and 2016. As mentioned in the paragraph headed "2.2 The Shunfu Ville Enbloc Project" above, the Directors take the view that the Project has a positive outlook and will generate income for the Company from 2021. Moreover, as mentioned in the paragraph headed "1.1 Principal businesses of the Group" above, such growth of the Group's business scale in Singapore supports its expansion plans along the Belt and Road of the "One Belt, One Road" Initiative.

As mentioned in the paragraph headed "2.2 The Shunfu Ville Enbloc Project" above, the estimated total costs of the Project amount to approximately S\$1.5 billion are substantial (equivalent to approximately HK\$8.3 billion) compared to the cash and cash equivalents of approximately HK\$1.8 billion and net current assets of approximately HK\$4.3 billion of the Group as at 31 December 2016. Formation of the Fund allows the Group to embark on the Project with less capital commitment than had the Group decided to fund the Project in full, thereby preserving a significant amount of cash that the Group may invest in other development projects when the opportunity arises.

As such, we consider that the Transaction is in the interests of the Company and the Shareholders as a whole. While the formation of the Fund is not in the ordinary and usual course of the Group's business, we note that the purpose of the Fund is aligned with its principal business activities and business strategy.

#### 7. MARKET COMPARABLES

In order to assess the fairness and reasonableness of the Transaction with regard to common features of fund formations, we have identified, to the best of our knowledge and as far as we are aware, 17 announcements of fund formation by companies listed on the Stock Exchange ("Comparable(s)"), from 16 November 2016 up to the date of the Limited Partnership Agreement, being an approximate six months period before the entering into of the Limited Partnership Agreement. The table below sets out the respective dates of the relevant announcements; names of the relevant companies listed on the Stock Exchange; and an analysis of four such common features (if disclosed in the relevant announcement):

- (i) whether the terms on capital contribution were proportionate to the respective partnership interests;
- (ii) whether the rights of appointment of directors to the board of the managing partner were proportionate to the respective partnership interests;
- (iii) whether the order of return of capital contributions made by each partner, and any returns thereon, was proportionate to his interest in the partnership; and
- (iv) whether the rate of return on capital contributions made by each partner was proportionate to his interest in the partnership.

Shareholders should note that the business, operations and prospects of the Fund pursuant to the terms of the Transaction may not be the same as those of any of the Comparables, and the Comparables provide a general reference for the common features in recent fund formations by companies listed on the Stock Exchange.

	Announcement date	Company (stock code)		Proportio	onate	
	uatt	` ,	capital contribution	appointment rights	order of return	rates of return
1	24 November 2016	Modern Land (China) Co., Limited (1107)	Yes	N/A	N/A	N/A
2	25 November 2016	Poly Culture Group Corporation Limited (3636)	N/A	N/A	N/A	N/A
3	25 November 2016	Sunshine 100 China Holdings Ltd (2608)	N/A	N/A	N/A	N/A
4	1 December 2016	Huarong Investment Stock				
		Corporation Limited (2277)	N/A	N/A	N/A	N/A
5	9 December 2016	China First Capital Group Limited (1269)	Yes	No	No	N/A
6	19 December 2016	Overseas Chinese Town (Asia)				
		Holdings Limited (3366)	Yes	N/A	N/A	No
7	28 December 2016	Boyaa Interactive International Limited (0434)	Yes	No	Yes	No
8	5 January 2017	Tianli Holdings Group Limited (117)	No	No	Yes	Yes
9	6 January 2017	Sunny Optical Technology (Group)				
		Company Limited (2382)	Yes	N/A	N/A	N/A
10	10 March 2017	Ourgame International Holdings Limited (6899)	Yes	No	N/A	N/A
11	17 March 2017	Overseas Chinese Town (Asia)				
		Holdings Limited (3366)	Yes	No	N/A	No
12	20 March 2017	Huaneng Renewables Corporation Limited (0958)	N/A	N/A	No	No
13	6 April 2017	Fullshare Holdings Limited (608)	Yes	N/A	No	No
14	19 April 2017	China High Speed Transmission				
		Equipment Group Co., Ltd. (658)	N/A	N/A	Yes	N/A
15	24 April 2017	Anhui Express Company Limited (995)	Yes	No	N/A	N/A
16	8 May 2017	Aluminium Corporation of China Limited (2600)	N/A	N/A	N/A	N/A
17	15 May 2017	A8 New Media Group Limited (800)	Yes	No	N/A	No
		Tally				
		Yes	10	0	3	1
		No	1	7	3	6
		N/A (Note)	6	10	11	10
		Total	17	17	17	17

Note: Features marked non-applicable were not disclosed in the relevant announcement.

For ten out of 11 Comparables that disclosed terms on capital contributions, the capital contributions were proportionate to the respective partnership interests. The capital contributions of the Limited Partners under the Limited Partnership Agreement are proportionate to their respective Partnership interests, which is in line with the majority of the Comparables.

The rights of appointment of directors to the General Partner Board under the Limited Partnership Agreement are not proportionate to the respective Partnership interests. Guotsing Asset Management has 25% appointment rights to the General Partner Board but is interested in the Partnership as to 2.1%. As stated in the paragraph headed "3.5 Distributions" above, we consider that such appointment rights are nonetheless fair and reasonable, taking into account Guotsing Asset Management's disproportionate exposure to Investment Loss.

For all seven Comparables that disclosed the rights of the partners to appoint directors to the board of the managing partner, such appointment rights were disproportionate to the respective partnership interests. Hence, that the rights of appointment of directors to the General Partner Board under the Limited Partnership Agreement are not proportionate to the respective Partnership interests is in line with the relevant Comparables.

The order of return of Capital Contributions, and any returns thereon, to the Limited Partners under the Limited Partnership Agreement is proportionate to their respective Partnership interests. Six Comparables disclosed the order of return of capital contributions to the partners. The order of return for three of the six Comparables was proportionate to the respective partnership interests. As such, the order of return under the Limited Partnership Agreement is in line with half of the relevant Comparables.

The rates of return on Capital Contributions under the Limited Partnership Agreement are not proportionate to the respective Partnership interests. Guotsing Asset Management receives the Remainder. For the reasons stated in the paragraph headed "3.5 Distributions" above, including Guotsing Asset Management's disproportionate exposure to Investment Loss, we consider that the rates of return under the Limited Partnership Agreement are nonetheless fair and reasonable.

Seven Comparables disclosed the rate of return on capital contributions made by each partner. For only one of the seven Comparables, the rates of return were proportionate to the respective partnership interests. Hence, that the rates of return on Capital Contributions under the Limited Partnership Agreement are not proportionate to the respective Partnership interests is in line with the majority of the relevant Comparables.

As (i) the respective capital contributions of the Limited Partners are proportionate to their respective Partnership interests, as with all the relevant Comparables; (ii) the respective rights of appointment of directors to the General Partner Board of the Limited Partners are not proportionate to their respective Partnership interests, as with all the relevant Comparables; (iii) the order of return of Capital Contributions, and any returns thereon, under the Limited Partnership Agreement is proportionate to the respective Partnership interests, as with half of the relevant Comparables; and (iv) the rates of return on the Capital Contributions of the Limited Partners under the Limited Partnership Agreement are not proportionate to their respective Partnership interests, as with the majority of the relevant Comparables, the features of the formation of the Fund are in line with those of the Comparables. As such, we are of the view that the Transaction is on normal commercial terms in this regard.

# 8. POSSIBLE FINANCIAL EFFECTS

# 8.1 Net assets and earnings

Pursuant to the Limited Partnership Agreement, Capital Contributions to be made by CNQC Asset Management to the Fund with designated return will be accounted for as financial assets at fair value through profit or loss by the Group. As the Group is expected to finance the Capital Contribution by means of its internal resources, the Directors do not expect the Transaction will have any material adverse impact to the Group's net assets.

The financial asset at fair value through profit or loss will be subject to fair value assessment at the end of each reporting period. Any gain or loss will be recognised in the profit and loss statement, which, in turn, may have an impact to the earnings of the Group, though cash flow is not involved in this respect.

#### 8.2 Working capital

We understand from the Management that the Capital Contributions to be made by CNQC Asset Management under the Limited Partnership Agreement and the Subscription Agreement will be financed by internal resources. For the reasons stated in the paragraph headed "3.3 Capital Commitments and Contributions" above, the Management believes, and we concur, that the Group will have sufficient resources to meet CNQC Asset Management's commitment under the Limited Partnership Agreement and the Subscription Agreement.

# 8.3 Section summary

Having considered the abovementioned possible financial effects of entering into the Limited Partnership Agreement and the Subscription Agreement, which will have no material adverse impact on the Group, we are of the view that the overall possible financial effects of the Transaction on the Group are acceptable.

# RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) the terms the Transaction are on normal commercial terms and are fair and reasonable; (ii) the terms and conditions of the Limited Partnership Agreement and the Subscription Agreement are fair and reasonable; and (iii) the Limited Partnership Agreement and the transactions contemplated thereunder, though not in its ordinary and usual course of business, will be in line with the business strategy of the Company and its subsidiaries and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the independent Shareholders, as well as the Independent Board Committee to advise the independent Shareholders, to vote in favour of the resolution approving the Transaction at the EGM.

Yours faithfully,
For and on behalf of
Altus Capital Limited
Jeanny Leung
Executive Director

Ms. Jeanny Leung ("Ms. Leung") is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 26 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial adviser or independent financial adviser in various corporate finance advisory transactions.

# A. RESPONSIBILITY STATEMENT

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

#### B. DISCLOSURE OF INTERESTS

#### 1. Interests of Directors

As at the Latest Practicable Date, interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executive of the Company which have been 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 were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in Appendix 10 to the Listing Rules are as follows:

		Number of Shares	
		and underlying	Approximate
		Shares held in	percentage
Name of director	Capacity	long position	of interests
Mr. Cheng Wing On, Michael	Beneficial owner (note 1)	3,000,000	0.21%
	Beneficial owner (note 3)	3,000,000	0.21%
Mr. Wang Congyuan	Beneficial owner	397,500	0.03%
	Beneficiary of a trust (note 2)	3,045,993	0.21%
	Beneficial owner (note 3)	2,100,000	0.15%
Mr. Ho Chi Ling	Beneficial owner (note 1)	2,400,000	0.17%
	Beneficial owner (note 3)	2,400,000	0.17%
Mr. Zhang Yuqiang	Beneficial owner (note 1)	2,400,000	0.17%
Mr. Wang Linxuan	Beneficial owner	480,000	0.03%
	Beneficiary of a trust (note 2)	8,122,647	0.57%
	Beneficial owner (note 3)	2,100,000	0.15%
Mr. Zhang Zhihua	Beneficial owner (note 1)	3,000,000	0.21%
	Beneficiary of a trust (note 2)	30,459,927	2.13%
Dr. Sun Huiye	Beneficial owner (note 3)	900,000	0.06%
Mr. Wang Xianmao	Beneficiary of a trust (note 2)	3,045,993	0.21%
	Beneficial owner	152,500	0.01%

Notes:

- (1) This represents long position in the underlying Shares under share options granted on 27 June 2014 pursuant to the share option scheme of the Company.
- (2) This represents the long position in the underlying CPS under the awards granted under the management share scheme. Please refer to the circular of the Company dated 25 September 2015 for further details.
- (3) This represents long position in the underlying Shares under share options granted on 28 April 2016 pursuant to the share option scheme of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or was deemed to have under such provisions of the SFO); (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

#### 2. Interests of substantial Shareholders

As at the Latest Practicable Date, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

# Long position in the Shares and underlying shares

		Number of	
N. A	G to DV	Shares and	Approximate
Name of	Capacity/Nature	underlying Shares	Shareholding
substantial shareholder	of interest	held/interested	Percentage (%)
Dr. Du Bo	Interest in controlled corporation (Note 1)	932,338,306	65.23
	Beneficiary of a trust (Note 3)	91,379,782	6.39
Hui Long Enterprises Limited	Interest in controlled corporation (Note 1)	932,338,306	65.23
Bliss Wave Holding Investments Limited	Interest in controlled corporation (Note 1)	932,338,306	65.23
Top Elate Investments Limited	Interest in controlled corporation (Note 1)	932,338,306	65.23
Hao Bo Investments Limited	Interest in controlled corporation (Note 1)	932,338,306	65.23
Guotsing Holding	Beneficial owner	708,193,306	49.55
Company Limited	Interest in controlled corporation (Note 1)	224,145,000	15.68
Trustee	Trustee	243,679,421	17.05
Qingdao Qingjian Holding Co Staff Shareholding Union	Interest in controlled corporation (Note 1)	932,338,306	65.23
Qingdao Qingjian Holdings Co	Interest in controlled corporation (Note 1)	932,338,306	65.23
CNQC Development Limited	Beneficial owner (Note 2)	224,145,000	15.68
Great Wall Pan Asia International Investment Company Limited	Beneficial owner	142,000,000	9.93
Sino Concord Ventures Limited	Beneficial owner	100,000,000	7.00

#### Notes:

- (1) As at the Latest Practicable Date, Guotsing Holding is held as to 85% by Hao Bo Investments Limited, and is in turn held as to 48.547% by Top Elate Investments Limited and as to 51.453% by Bliss Wave Holding Investments Limited, a company held as to 74.533% by Hui Long Enterprises Limited.
- (2) The 224,145,000 Shares were held by CNQC Development Limited as at the Latest Practicable Date. CNQC Development Limited is wholly-owned by Guotsing Holding.
- (3) This represents the long position in the underlying CPS under the awards granted under the management share scheme. Please refer to the circular of the Company dated 25 September 2015 for further details.

Save as disclosed above, as at the Latest Practicable Date, to the best information, knowledge and belief of the Directors, no person (other than the Directors and chief executive of the Company), had registered an interest or short position in the Shares or underlying Shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

#### C. DIRECTORS' SERVICE CONTRACTS

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

#### D. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors has any direct or indirect interest in any assets which have since 31 December 2016 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors were materially interested, directly or indirectly, in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group.

#### E. COMPETING INTERESTS

As at the Latest Practicable Date, according to the Listing Rules, the following Directors had interests in the following businesses ("Competing Businesses") which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group pursuant to the Listing Rules:

Name of Director	Name of entity which business are considered to complete or likely to compete with the business of the Group	Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group	Nature of interest of the Director in the entity
Mr. Wang Xianmao	Guotsing PRC	Property development and construction	Chief Executive Officer

# F. EXPERT'S CONSENT AND QUALIFICATIONS

Altus Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or opinion and the references to its name included herein in the form and context in which it is respectively included.

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

Name	Qualifications
Altus Capital Limited	a corporation licensed to conduct type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO

Altus Capital Limited confirmed that as at the Latest Practicable Date, it did not have any beneficial shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did it have any direct or indirect interests in any assets which have since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

#### G. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest audited consolidated financial statements of the Group were made up.

#### H. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company at Room 601, 6/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong during normal business hours, Monday to Friday (other than public holidays) for a period of 14 days from the date of this circular:

- (a) the Limited Partnership Agreement;
- (b) the Subscription Agreement;
- (c) the Articles and Association of the Company

- (d) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 19 to 20 of this circular;
- (e) the letter from the Independent Financial Adviser, the text of which is set out on pages 21 to 44 of this circular;
- (f) the consent letter referred to in the paragraph headed "Expert's Consent and Qualifications" in this Appendix; and
- (g) this circular.

#### I. VOTING ARRANGEMENTS

- (a) As at the Latest Practicable Date, no person had, prior to the posting of this circular, irrevocably committed himself/herself/itself to vote for or against the Transaction.
- (b) As at the Latest Practicable Date, Guotsing Holding and its associates, including CNQC Development Limited, held 932,338,306 Shares, representing 65.23% of the entire issued share capital of the Company and Great Wall and its associates held 142,000,000 Shares, representing 9.93% of the entire issued share capital of the Company. Guotsing Holding and Great Wall, being the holding company of Guotsing Asset Management and Great Wall International Investment respectively, have material interests in the Transaction. Therefore, Guotsing Holding, Great Wall and their respective associates are required to abstain from voting on the resolution to be proposed at the EGM to approve the Transaction. Save as disclosed above, no other Shareholder would be required to abstain from voting to approve the Transaction.

#### J. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text, in the event of inconsistency.

# NOTICE OF EGM



# 青建國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1240)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the "**EGM**") of CNQC International Holdings Limited (the "**Company**") will be held at Room 601, 6/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Hong Kong on 17 August 2017 at 11:30 a.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolution as an ordinary resolution of the Company. Capitalised terms defined in the circular dated 31 July 2017 issued by the Company (the "**Circular**") shall have the same meanings when used herein unless otherwise specified.

#### ORDINARY RESOLUTION

#### "THAT:

- (a) the Limited Partnership Agreement, the Subscription Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the Directors be and are hereby authorised to do all such acts and things and to sign and execute all such documents, instruments and agreements for and on behalf of the Company as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the implementation of and giving effect to the Limited Partnership Agreement, the Subscription Agreement and the transactions contemplated thereunder."

Yours faithfully,
By Order of the Board
CNQC International Holdings Limited
Cheng Wing On Michael
Chairman

Hong Kong, 31 July 2017

# NOTICE OF EGM

#### Notes:

- (1) The register of members of the Company will be closed for registration of transfer of Shares from 14 August 2017 to 17 August 2017, both days inclusive. In order to qualify for attending and voting at the EGM, all transfer documents should be lodged for registration with Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 4:30 p.m., 11 August 2017
- (2) Any member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (3) To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours (ie: 11:30 a.m. on 15 August 2017 (Tuesday)) before the time appointed for the holding of the EGM or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof.
- (5) All the resolutions at the EGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (6) As at the date of this notice, the Board comprises (i) five executive directors of the Company, namely Mr. Cheng Wing On, Michael (Chairman), Mr. Wang Congyuan, Mr. Ho Chi Ling, Mr. Zhang Yuqiang and Mr. Wang Linxuan; (ii) three non-executive directors of the Company, namely Mr. Zhang Zhihua, Dr. Sun Huiye and Mr. Wang Xianmao; and (iii) four independent non-executive directors of the Company, namely Mr. Chuck Winston Calptor, Mr. Ching Kwok Hoo, Pedro, Mr. Tam Tak Kei, Raymond and Mr. Chan Kok Chung, Johnny.