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

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

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CCT FORTIS HOLDINGS LIMITED

（中建富通集團有限公司）

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 00138)

MAJOR TRANSACTION
IN RELATION TO DISPOSAL OF PROPERTY

A letter from the Board is set out on pages 5 to 13 of this circular.

25 June 2019

CONTENTS

Page

Definitions 1

Letter from the Board 5

Appendix I — Financial Information of the Group 14

Appendix II — Valuation Report on the Target Properties 16

Appendix III — General Information 20

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

"Announcements"	the announcements of the Company dated 26 April 2019, 10 May 2019, 21 May 2019, 4 June 2019 and 20 June 2019 in relation to the Disposal;
"Board"	the board of Directors;
"Capital Force"	Capital Force International Limited, a company incorporated in the British Virgin Islands with limited liability, the shares in which are wholly-owned by Mr. Mak beneficially;
"Capital Winner"	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability, whose shareholding is wholly-owned by Mr. Mak beneficially;
"Company"	CCT Fortis Holdings Limited (stock code: 00138), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
"Completion"	completion of the Disposal in accordance with terms and conditions of the Formal Agreement;
"Completion Accounts"	the financial statements of the Target Company comprising the profit and loss accounts of the Target Company from 1 January 2019 to the Completion Date and the statement of financial position of the Target Company as at the Completion Date;
"Completion Date"	on or before 31 July 2019 (or such other date and time as the Vendor and the Purchaser may agree in writing) on which Completion will take place;
"connected person(s)"	has the same meaning ascribed to it under the Listing Rules;
"Consideration"	HK$158,750,000, being the total consideration for the Disposal;
"Director(s)"	director(s) of the Company;
"Disposal"	the sale of the Sale Share and the assignment of the Shareholder's Loan to the Purchaser pursuant to the terms and conditions of the Formal Agreement;

"Formal Agreement"	the formal share sale and purchase agreement dated 18 June 2019 entered into between the Vendor, the Purchaser and the Company (as the Guarantor) in relation to the Disposal;
"Grant Sherman"	Grant Sherman Appraisal Limited, an independent professional valuer;
"Group"	the Company and its subsidiaries from time to time;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Latest Practicable Date"	21 June 2019, being the latest practicable date prior to printing of this circular for the purpose of ascertaining certain information contained herein;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	31 July 2019 or such later date as the Purchase and the Vendor may agree in writing;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules;
"Mr. Mak"	Mr. Mak Shiu Tong, Clement, the chairman, the chief executive officer, an executive director and the controlling shareholder of the Company;
"New Capital"	New Capital Industrial Limited, a company incorporated in the British Virgin Islands, the shares in which are wholly-owned by Mr. Mak beneficially;
"NTVA"	the aggregate of all tangible assets of the Target Company which are readily convertible into cash or cash equivalents (excluding the Target Properties, any intangible assets and other fixed assets and deferred tax), less the aggregate of all borrowings, indebtedness and liabilities (actual, contingent or otherwise but excluding the Shareholder's Loan and deferred tax (if any)) and provisions of the Target Company as at the Completion Date;
"percentage ratios"	has the same meaning ascribed to it under the Listing Rules;

"Properties"	the Target Properties and the Retained Properties;
"Provisional Agreement"	the provisional share sale and purchase agreement dated 26 April 2019 entered into among the Vendor, the Purchaser and the Company in relation to the Disposal;
"Purchaser"	Digital China (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability;
"Relevant Shareholders"	a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 468,944,731 Shares, representing approximately 53.70% of the total number of issued Shares as at the Latest Practicable Date;
"Remaining Group"	the Group excluding the Target Company after Completion;
"Retained Properties"	the six car parking spaces nos. 5, 6, 7, 8, 9 and 10 on the first floor, Fortis Tower, 77–79 Gloucester Road, Hong Kong, to be transferred by the Target Company to other subsidiary or subsidiaries of the Vendor;
"Sale Share"	one share in the capital of the Target Company, which was issued and fully paid and represent 100% of the total number of issued share(s) of the Target Company as at the date of this circular;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	the ordinary share(s) of HK$0.10 each in the capital of the Company;
"Shareholder(s)"	the holder(s) of the issued Share(s);
"Shareholder's Loan"	the amount of the loan due from the Target Company to the Vendor on demand with no interests chargeable in the amount as shown on the Completion Accounts;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Company"	Charter Base Development Limited, a company incorporated in Hong Kong with limited liability, which is the legal and beneficial owner of the Properties;
"Target Properties"	31st floor, Fortis Tower, 77–79 Gloucester Road, Hong Kong;

"Vendor"	Great Precision Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company; and
"%"	per cent.



CCT FORTIS HOLDINGS LIMITED
（中建富通集團有限公司）

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 00138)

Executive Directors:
Mak Shiu Tong, Clement
Tam Ngai Hung, Terry
Cheng Yuk Ching, Flora

Independent non-executive Directors:
Tam King Ching, Kenny
Chen Li
Chow Siu Ngor

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head office and principal place of business in Hong Kong:
18/F., CCT Telecom Building
11 Wo Shing Street, Fotan
Shatin, New Territories
Hong Kong

25 June 2019

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF PROPERTY

1. INTRODUCTION

References are made to the Announcements.

To the best knowledge, information and belief of the Directors, having make all reasonable enquiries, no Shareholder has material interests in the Disposal and is required to abstain from the voting regarding the Disposal, the Company has obtained a written shareholder's approval from closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 468,944,731 Shares, representing approximately 53.70% of the total number of issued Shares as at the date of the announcement of the Company dated 26 April 2019, in lieu of holding a general meeting to approve the Disposal, pursuant to Rule 14.44 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further information relating to the Disposal; (ii) the financial information of the Group; (iii) an valuation report on the Target Properties; and (iv) other documents required to be disclosed pursuant to the Listing Rules.

It was announced in the Announcements that the Provisional Agreement and the Formal Agreement was entered into in relation to the Disposal. The principal terms of the Disposal are set out below.

2. PROVISIONAL AGREEMENT AND THE FORMAL AGREEMENT

(i) Provisional Agreement

Date: 26 April 2019

Parties: (i) Great Precision Group Limited as the Vendor;

(ii) Digital China (BVI) Limited as the Purchaser; and

(iii) the Company as the Guarantor.

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

Subject matter

Pursuant to the Provisional Agreement, the Vendor will dispose of the Sale Share and assign the Shareholder's Loan to the Purchaser upon the terms contained therein.

As requested by the Purchaser, the Company agreed to act as guarantor to the Vendor, and shall on the Completion Date, guarantee to the Purchaser and the Target Company, the due observance and performance by the Vendor of all its obligations under the Provisional Agreement.

The Company considers that the addition of the Company as guarantor is common market practice to transactions of similar nature to the Disposal in Hong Kong and consider that the terms of the Provisional Agreement (including the addition of the Company as guarantor) are normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(ii) Formal Agreement

On 18 June 2019, the parties to the Provisional Agreement entered into the Formal Agreement. The principal terms of the Formal Agreement are identical to the terms of the Provisional Agreement and in addition, include (i) customary representations and warranties of the Vendor for property transaction similar to the Disposal; and (ii) an agreed form of a tax indemnity to be provided by the Vendor to the Target Company upon Completion.

The principal terms of the Formal Agreement are set out below.

The Consideration

The Consideration is HK$158,750,000, payable in cash, subject to adjustment as set out below.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the prevailing market price of properties at nearby location.

The Consideration will be allocated as follows:

(1) the amount of the Shareholder's Loan at Completion to the assignment of the Shareholder's Loan; and

(2) the balance thereof to the Sale Share.

The Shareholder's Loan is interest free and unsecured. The estimated value of the Shareholders' Loan as at Completion is approximately HK$56,000,000. Upon assignment of the Shareholders' Loan at Completion, the Target Company will no longer owe the Vendor any amount. In accordance with the aforesaid basis of allocation, the estimated amount of the balance of the Consideration to be allocated to the Sale Share will be approximately HK$102,750,000.

The arrangement to assign the Shareholder's Loan was a term agreed between the parties to the Formal Agreement during the negotiation process. The assignment will prevent the Target Company remaining indebted to the Vendor upon Completion, which is neither desirable to the Group (as the Group no longer has any control of the Target Company) nor the Purchaser. The assignment of the Shareholder's Loan to the Purchaser is customary term for property transactions via share sales in Hong Kong.

As disclosed in the valuation report as set out in Appendix II of this circular, the valuation of the Target Properties is HK$155,200,000. As the valuation of the Target Properties (which will be the only asset of the Target Company at Completion) is lower than the Consideration, the Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Terms of Payment

The Consideration is HK$158,750,000 payable in cash as follows:

(a) An initial deposit of HK$4,762,500 was paid by the Purchaser upon signing of the Provisional Agreement (the "**Initial Deposit**");

(b) a further deposit of HK$11,112,500 was paid by the Purchaser on 10 May 2019 (the "**Further Deposit**"); and

(c) the balance of the Consideration of HK$142,875,000 (the "**Balance**") will be paid by the Purchaser, subject to the adjustment as explained below, on Completion.

At least five days prior to the Completion Date, the Vendor shall deliver to the Purchaser a set of unaudited Completion Accounts. If the NTVA as shown in the accounts is less than zero, then the Balance shall be reduced by the same amount. Within 30 days from the Completion Date, the Vendor shall deliver to the Purchaser a set of audited Completion Accounts, which shall have been audited by an independent auditor in accordance with such accounting practice, standards and principles as are generally accepted in Hong Kong. If the NTVA as shown in the audited Completion Accounts is less than the NTVA as shown in the unaudited Completion Accounts, then the Vendor shall pay the corresponding amount of such difference to the Purchaser.

The Disposal was negotiated on a cash free debt free basis. Except for the Shareholder's Loan, it is expected that the Target Company will not have any liabilities upon Completion. As such, the adjustment excludes the Shareholder's Loan and the expected adjustment, if any, should only be a nominal sum.

If the Purchaser fails to complete the Disposal in accordance with the terms of the Formal Agreement, then the Vendor will forfeit the Initial Deposit and the Further Deposit as liquidated damages.

If the Vendor fails to complete the Disposal in accordance with the terms of the Formal Agreement, then the Vendor shall refund the Initial Deposit and the Further Deposit and shall compensate the Purchaser with a sum equivalent to the aggregate amount of the Initial Deposit and the Further Deposit as liquidated damages.

Conditions Precedents

Completion is conditional upon of the following:

(a) the Vendor having completed the transfer of the 6 car parking spaces to its subsidiaries;

(b) the Purchaser having carried out and completed a due diligence review on the business, financial, legal and other aspects of the Target Company and reasonably satisfied with the results thereof;

(c) the Vendor having procured the Target Company to give and prove a good title to the Target Properties in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong); and

(d) as at the date of fulfilment or waiver of the last in time to be fulfilled of the conditions (other than this condition), the warranties given by the Vendor remaining true, accurate, correct and complete and not misleading in all respects.

If the conditions above are not wholly satisfied or waived upon expiry of the Long Stop Date and such non-satisfaction is not caused by any default on the part of either party hereto, then the Purchaser shall have the right, by giving a notice in writing to the Vendor, to terminate the Formal Agreement upon expiry of the Long Stop Date, whereupon the Vendor shall forthwith refund the Initial Deposit and Further Deposit to the Purchaser in cash without interest and, subject to compliance and performance by the Vendor of its obligation as aforesaid, neither party shall have any claim against the other party(ies) in respect of such termination.

The Purchaser may waive any of the foregoing conditions precedent. As at the Latest Practicable Date, none of the conditions precedent has been fulfilled or waived.

Completion

Completion of the Disposal shall take place on 31 July 2019 (or such other date and time as the Vendor and the Purchaser may agree in writing).

After the Completion, the Vendor will not hold any equity interest in the Target Company. The Target Company will cease to be a subsidiary of the Vendor and accordingly, the accounts of the Target Company will cease to be consolidated into the accounts of the Group.

Other terms

(i) Representations and warranties

The Formal Agreement contains customary representations and warranties given by the Vendor for property transactions via share sales in Hong Kong, including (i) a good title of the Sale Share and the Shareholder's Loan; (ii) the proper keeping of the financial records of the Target Company; (iii) the compliance by the Target Company with the applicable corporate and tax filing requirements; (iv) the compliance with the applicable laws; and (v) a good title of the Target Properties.

(ii) Tax indemnity

Upon Completion, the Vendor will provide a tax indemnity to the Target Company. Under the tax indemnity, the Vendor agrees to indemnify the Target Company for any taxation claims arising from any gains accrued on or before the Completion Date. No claim shall be made by the Target Company after three years from the Completion Date.

3. INFORMATION OF THE TARGET COMPANY AND THE TARGET PROPERTIES

As at the date of this circular, the Target Company is the legal and beneficial owner of the Properties which comprise the Target Properties and the Retained Properties. Prior to Completion, the Target Company will transfer the Retained Properties to other subsidiary or subsidiaries of the Vendor.

The Target Properties have been occupied by the Group for self-use purpose until October 2018. The Target Properties are vacant at present.

Set out below is the financial information of the Target Company for the two financial years ended 31 December 2017 and 2018:

	Year ended 31 December 2018	**Year ended 31 December 2017**
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Net (loss)/profit before taxation and extraordinary items	(1,373)	61,972
Net (loss)/profit after taxation and extraordinary items	(1,373)	61,972

Based on the accounts of the Target Company, the net book value of the Target Properties is approximately HK$78 million as at 31 December 2018. The Target Property was valued at HK$155,200,000 by Grant Sherman as at 30 April 2019. Details of the valuation report on the Target Property prepared by Grant Sherman is set out in Appendix II to this circular.

4. REASONS FOR AND BENEFITS DERIVED FROM THE DISPOSAL

The Target Properties were acquired by the Target Company in 2011 and are held by the Group for self-use purpose until October 2018. In October 2018, the Company moved its office address from the Target Properties to its present address in Fotan, Shatin, New Territories, Hong Kong. Thereafter, the Target Properties are vacant. As the Company no longer requires the Target Properties for its own use, the Board is of the opinion that the Company should realise its investment in the Target Properties and the proceeds from the Disposal will further enhance the financial position of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Agreement, the Formal Agreement and the Disposal are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. FINANCIAL EFFECTS OF THE DISPOSAL

Prior to Completion, the Target Company was an indirect wholly-owned subsidiary of the Company. Upon Completion, the Company ceased to hold any shareholding in the Target Company, which will cease to be a subsidiary of the Company and its accounts will cease to be consolidated into the accounts of the Company.

It is estimated that the unaudited net gain from the Disposal was approximately HK$79 million, representing the difference between the net Consideration of approximately HK$157 million (net of transaction costs and property agent's commission of approximately HK$1.75 million in total) and the net book value of the Target Properties at Completion of approximately HK$78 million.

It is estimated the net assets value and the net profits of the Remaining Group will be increased by approximately HK$79 million, representing the estimated net gain arising from the Disposal. The amount of the final net gain from the Disposal will be computed based on the net Consideration and the actual net book value of the Target Properties at Completion and may be different from the estimated gain of HK$79 million as set out above.

6. USE OF PROCEEDS OF THE DISPOSAL

The Company will firstly apply the net proceeds from the Disposal of approximately HK$157 million for the full repayment of all the mortgage loans charged on the Target Properties with the total amount of approximately HK$85 million. The Company intends to apply the balance of the net proceeds of approximately HK$72 million as to HK$25 million for general working capital and as to HK$47 million for operations and development of its principal businesses and other possible business development and investments of the Group, when appropriate opportunities arise.

7. INFORMATION OF THE VENDOR, THE COMPANY AND THE GROUP

The Vendor is an indirect wholly-owned subsidiary of the Company and its principal activity is investment holding. The Vendor holds the Sale Share and is the immediate holding company of the Target Company.

The Company is the holding company of the Group, which is principally engaged in (i) property development, trading and investment; (ii) securities business; (iii) Ferrari dealership; (iv) classic car trading and investment and car logistic business; (v) investment and trading in time pieces; (vi) multimedia business; (vii) cultural entertainment business; and (viii) industrial product business.

8. INFORMATION OF THE PURCHASER

To the best of the Directors' knowledge and based on the 2018 annual report of Digital China Holdings Limited ("**Digital China**"), the Purchaser is principally engaged in investment holding and is a subsidiary of Digital China (stock code: 861), which in turn is a company listed on the Main Board of the Stock Exchange.

9. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios for the Disposal exceeds 25% but all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and therefore is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholders or any of their respective associates have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Disposal if the Company were to convene a special general meeting to approve the Disposal.

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting. The Company has obtained the written approval from a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 468,944,731 Shares, representing approximately 53.70% of the total number of issued shares of the Company as at the Latest Practicable Date, to approve the Disposal. Of the 468,944,731 Shares beneficially interested by these Relevant Shareholders, 22,919,652 Shares, 96,868,792 Shares, 171,357,615 Shares and 177,798,672 Shares are beneficially owned by Mr. Mak, Capital Force, New Capital and Capital Winner respectively, representing approximately 2.63%, 11.09%, 19.63% and 20.35% respectively of the total number of issued Shares as at the Latest Practicable Date. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Disposal.

10. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Disposal is fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

11. OTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
CCT FORTIS HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited financial information of the Group: (i) for the year ended 31 December 2018 is disclosed on pages 52 to 165 of the 2018 annual report of the Company dated 29 March 2019; (ii) for the year ended 31 December 2017 is disclosed on pages 55 to 156 of the 2017 annual report of the Company dated 28 March 2018; and (iii) for the year ended 31 December 2016 is disclosed on pages 59 to 154 of the 2016 annual report of the Company dated 27 March 2017.

All these financial statements have been published on the websites of the Stock Exchange (www.hkexnews.hk) and that of the Company (http://www.cct-fortis.com/eng/investor/annual_reports.php).

2. STATEMENT OF INDEBTEDNESS OF THE GROUP

As at the close of business on 30 April 2019 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had the following outstanding indebtedness:

(a) convertible bonds liability of approximately HK$235 million, which was unsecured and unguaranteed;

(b) bank and other borrowings of approximately HK$1,442 million, of which HK$1,440 million was guaranteed and HK$2 million was not guaranteed;

(c) the total bank and other borrowings of HK$1,442 million, were secured by (i) charges on certain assets (including properties) held by the Group with aggregate net book values of approximately HK$2,563 million as at 30 April 2019; and (ii) pledge of certain fixed deposits of the Group of approximately HK$35 million as at 30 April 2019; and

(d) Corporate guarantees of total amount of approximately HK$53 million had been given by the Company to guarantee banking facilities of certain members of the Greater Bay Area Investments Group Holdings Limited.

Save as aforesaid, and apart from intra-group liabilities, the Group did not have any other debt securities, term loans, bank loans, bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures or other loan capital, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 30 April 2019.

(Note: all figures stated in this section are unaudited.)

3. WORKING CAPITAL

The Directors, after due and careful enquiry and consideration, are of the opinion that the Group will, after taking into account the effect of the Disposal and the present internal financial resources available to the Group including internally generated cash flows and the existing banking and credit facilities available, have sufficient working capital for its present requirements in next 12 months from the date of this circular in the absence of unforeseen material circumstances.

The following is the text of letter and valuation report prepared for the purpose of incorporation in this circular, received from Grant Sherman Appraisal Limited, an independent property valuer, in connection with their valuation as at 30 April 2019 of the property interest held by the Group in the Hong Kong Special Administrative Region of the People's Republic of China.



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

25 June 2019

The Directors
CCT Fortis Holdings Limited
18/F., CCT Telecom Building
11 Wo Shing Street, Fo Tan
Shatin, New Territories
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value the property interests held by CCT Fortis Holdings Limited (the "**Company**") and its subsidiaries (together referred to as the "**Group**") in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") (the "**Property**"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interests as at 30 April 2019 ("**date of valuation**") for inclusion in the circular issued by the Company.

Our valuation is our opinion of the market value of the property interests where we would define market value as intended to mean "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

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

In valuing the property interest, we have valued the Property by comparison approach assuming sale in their existing state by making reference to comparable sales evidences as available in the relevant market.

Our valuation has been made on the assumption that the owner sells the property interests on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the values of the property interests. In addition, no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term as granted and are entitled to transfer the Property with the residual term without payment of any further premium to the government authorities or any third parties.

We have assumed that all consents, approvals and licenses from relevant government authorities for the Property has been granted without any onerous conditions or undue time delay which might affect their values. It is assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. Moreover, we have assumed that the utilization of the Property and improvements is within the boundaries of the Property described and that no encroachment or trespass exists, unless noted in the valuation report.

We have caused title searches to be made for the Property at the relevant government bureaus in Hong Kong. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. All documents have been used for reference only. All dimensions, measurements and areas are approximations.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us by the Group on such matters as planning approvals or statutory notices, easements, tenure, occupancy, lettings, site and floor areas and in the identification of the Property and other relevant matter. We have no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We have also been advised by the Group that no material facts had been concealed or omitted in the information provided to us and have no reason to suspect that any material information has been withheld. All documents have been used for reference only. We consider that we have been provided with sufficient information to reach an informed view.

In valuing the property interests which are situated in Hong Kong and held under the government leases which will be expired before 30 June 2047, we have taken into account of the statement contained in the Annex III of the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the question of Hong Kong and the New Territories Leases (Extension) Ordinance 1988 that such leases would have been extended without payment of premium until 30th June 2047 and that an annual rent of three percent of the rateable value of the Property would be charged from the date of extension.

We have inspected the exteriors, and where possible, the interior of the Property. However, no structural survey has been made and we are therefore unable to report as to whether the Property is or not free of rot, infestation or any other structural defects. No tests have been carried out on any of the services. Neither have we carried out site investigation to determine the suitability of the ground conditions or the services for any property development thereon. Our valuations are on the basis that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period. No structural survey has been carried out and it was not possible to inspect the wood work and other parts of the structures which were covered, unexposed or inaccessible. We are therefore, unable to report that the Property is free of rot, infestation or any structural defects. No tests have been carried out on any of the building services.

All dimensions, measurements and areas included in the valuation report are based on information contained in the documents provided to us by the Group and are approximations only. No on-site measurement has been taken.

In valuing the property interests, we have fully complied with the HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 of and Practice Note 12 to the Rule Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the Code on Takeovers and Mergers.

Unless otherwise stated, all monetary amounts stated are in Hong Kong Dollars (HK$).

We enclose herewith the valuation report.

Respectfully submitted,
For and on behalf of
GRANT SHERMAN APPRAISAL LIMITED

Lawrence Chan Ka Wah
MRICS MHKIS RPS(GP)MCIREA MHIREA
RICS Registered Valuer
Director
Real Estate Group

Note: Mr. Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong institute of Surveyors, Registered Professional Surveyors in the General Practice Section and a member of China Institute of Real Estate and Agents, who has over 15 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asian Rim.

VALUATION REPORT

Property interest held by the Group in Hong Kong for self-occupation purpose

Property	Description and tenure	Particular of occupancy	Market value in existing state as at 30 April 2019 *HK$*
31st floor, Fortis Bank Tower, Nos. 77, 78–79 Gloucester Road, Hong Kong 100/3,100th equal and undivided shares of and in the Remaining Portion of Inland Lot No. 2782.	The Property comprises the whole office floor on the 31st floor of a 33-storey commercial building completed in about 1982. The Property has a total gross floor area of about 6,350 sq ft.. The Property is held under the government lease for a term of 99 years renewable for 99 years commencing from 30 September 1929.	The Property was vacant as at the Valuation Date.	155,200,000

Notes:

(i) According to the Land Registers, the registered owner of the Property is Charter Base Development Limited, registered vide Memorial no.11122101050086 dated 1 December 2011.

(ii) The Property is subject to a mortgage in favour of Nanyang Commercial Bank Limited vide Memorial no. 11122101050094 dated 1 December 2011.

(iii) The Property is subject to a second legal charge favor of Nanyang Commercial Bank, Limited vide Memorial No.14090800370011 dated 13 August 2014.

(iv) The Property was inspected by our Mr. Jimmy Lee (MRICS) on 9 May 2019, the external and internal conditions of the Property were reasonable.

(v) According to the information provide, Charter Base Development Limited is a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company.

(vi) Pursuant to the Approved Wan Chai Outline Zoning Plan (S/H5/28), the land parcel of the Property situated is zoned for ''Commercial'' use.

(vii) The Property is situated in Wan Chai District, buildings in the locality are high-rise commercial/office buildings. MTR Wan Chai Station is approximately 5 minutes walking distance to the Property. Taxis, buses, MTR, mini-buses and trams are accessible to the Property.

(viii) According to the Rating & Valuation Department, the market yield of Grade B Office as at March 2019 is 3%.

1. RESPONSIBILITY STATEMENT

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

2. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

The Company is satisfied with the performance of its established businesses of the Remaining Group as well as the development of its new business ventures. The Company is optimistic about its new business ventures and consider that they have promising prospects. The Company maintains its commitment to grow the principal businesses of the Remaining Group and believe that they will contribute to the growth of revenue and profitability in the future. The Remaining Group has a strong balance sheet and solid financial position. It is considered that the Remaining Group is well positioned to deliver sustainable growth in coming years.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the Shares and the underlying shares of the Company and its associated corporations (if any)

As at the Latest Practicable Date, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the Shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or which were required, pursuant to Part XV of the SFO or the Model Code, to be notified to the Company and the Stock Exchange:

Long positions:

Name of Directors	Number of Shares/ underlying Shares			Total Interests	Approximate % of the total issued Shares*
	Personal Interests	Corporate Interests	Equity Derivatives		
			2024 Convertible Bonds		
Mak Shiu Tong	22,919,652	446,025,079 *(Note 1)*	347,500,000 *(Note 2)*	816,444,731	93.50%
Tam Ngai Hung	1,380,000	—	—	1,380,000	0.15%

* *The percentage was calculated based on 873,111,452 Shares in issue as at the Latest Practicable Date.*

Notes:

1. The interests disclosed represented 446,025,079 Shares, of which, an aggregate of 446,025,079 Shares were held by Capital Force, New Capital and Capital Winner as at the Latest Practicable Date. Capital Force, New Capital and Capital Winner are private corporations, the shares in which are wholly-owned by Mr. Mak beneficially. The interest of Capital Force, New Capital and Capital Winner in the 446,025,079 Shares has also been stated Mr. Mak is deemed to be interested in 446,025,079 Shares as at the Latest Practicable Date under the SFO as he controls the exercise of all the voting power at general meetings of Capital Force, New Capital and Capital Winner. The interests of Capital Force, New Capital and Capital Winner have also been stated in the sub-section headed ''(b) Substantial shareholders and short positions in the Shares and the underlying shares of the Company'' under the section headed ''3. Disclosure of Interests'' on pages 22 to 23 of this circular.

2. The interests disclosed represented 347,500,000 underlying Shares, as at the Latest Practicable Date, at the existing conversion price of HK$0.72 per conversion share (subject to adjustments pursuant to the terms and conditions of the convertible bonds) in respect of the 2024 Convertible Bonds issued by the Company to Capital Force and New Capital pursuant to the terms and conditions of the sale and purchase agreement. The respective interests of Capital Force and New Capital in such underlying Shares have also been stated in the sub-section headed ''(b) Substantial shareholders and short positions in the Shares and the underlying Shares of the Company'' under the section headed ''3. Disclosure of Interests'' on pages 22 to 23 of this circular. Mr. Mak is deemed to be interested in such underlying Shares under the SFO as he controls the exercise of all the voting power at general meetings of Capital Force and New Capital.

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

the register of the Company referred to therein ;or were required, pursuant to Part XV of the SFO or the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial shareholders and short positions in the Shares and the underlying shares of the Company

As at the Latest Practicable Date, so far as was known to, or could be ascertained after reasonable enquiries by, the Directors, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long positions:

	Number of Shares/ underlying Shares and nature of interests			
Name of the Shareholders	**Personal Interests/ beneficial owner**	**Equity Derivatives** *2024 Convertible Bonds*	**Total Interests**	**Approximate % of the total issued Shares***
Capital Force *(Note 1)*	96,868,792	250,000,000	346,868,792 *(Note 2)*	39.73%
New Capital *(Note 1)*	171,357,615	97,500,000	268,857,615 *(Note 2)*	30.79%
Capital Winner *(Note 1)*	177,798,672	—	177,798,672 *(Note 2)*	20.35%

* *The percentage was calculated based on 873,111,452 Shares in issue as at the Latest Practicable Date.*

Notes:

1. Capital Force, New Capital and Capital Winner are private corporations, the shares in which are wholly-owned by Mr. Mak beneficially, whose interest in such Shares has also been disclosed in sub-section headed ''(a) Directors' and chief executive's interests and short positions in the Shares and the underlying shares of the Company and its associated corporations (if any)'' under the section headed ''3. Disclosure of Interests'' on pages 20 and 21 to this circular.

2. These interest in such underlying Shares as at the Latest Practicable Date has also been stated in the sub-section headed ''(a) Directors' and chief executive's interests and short positions in the Shares and the underlying shares of the Company and its associated corporations (if any)'' under the section headed ''3. Disclosure of Interests'' on pages 20 and 21 to this circular.

Save for Mr. Mak who is a director and who is the beneficial owner of all the issued share capital of the substantial shareholders disclosed above, no other Director or proposed Director is a director or employee of the above substantial shareholders who has an interests or short positions in the Shares and the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, there was no other person (other than the Directors or chief executive of the Company) who had any interests or short positions in the Shares and the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interests in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors is materially interested in contract or arrangement subsisting and which is significant in relation to the business of the Group.

5. INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2018, being the date to which the latest published audited accounts of the Company were made up, 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.

6. SERVICE CONTRACTS

There is no existing or proposed service contract between any member of the Group and any Director (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

7. COMPETING INTERESTS

Each of the Directors has confirmed that so far as they are aware of, none of the Directors nor any proposed Director or his/her respective close associates has any interest in a business, apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

8. LITIGATION

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

9. MATERIAL ADVERSE CHANGE

The Directors have confirmed that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up, up to the Latest Practicable Date.

10. QUALIFICATIONS AND CONSENTS OF EXPERT

Name	Qualification
Grant Sherman Appraisal Limited	Professional Valuer

(i) Grant Sherman had no shareholding, directly or indirectly, in the Company or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any member of the Group as at the Latest Practicable Date;

(ii) Grant Sherman has given and has not withdrawn their written consent to the issue of this circular with the inclusion therein of their report and reference to their names in the form and context win which they are included; and

(iii) Grant Sherman had no direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to the Company or any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2018, the date to which latest published audited financial statements of the Group were made up.

11. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

(i) the provisional agreement dated 26 April 2017 and the final agreement dated 19 May 2017 entered into Charter Base Development Limited (an indirect wholly-owned subsidiary of the Company) as the vendor and East Base Limited (an independent third party) as the purchaser in relation to the dale of the property at 32/F., Fortis Tower, 77–79 Gloucester Road, Hong Kong for a consideration of HK$145,464,000;

(ii) the Provisional Agreement; and

(iii) the Formal Agreement.

12. MISCELLANEOUS

(a) The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and the head office and the principal place of business of the Company in Hong Kong is located at 18/F., CCT Telecom Building, 11 Wo Shing Street, Fotan, Shatin, New Territories, Hong Kong.

(b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(c) The company secretary of the Company is Ms. Sze Suet Ling, who is an associate of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators.

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

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the head office and the principal place of business of the Company in Hong Kong at 18/F., CCT Telecom Building, 11 Wo Shing Street, Fotan, Shatin, New Territories, Hong Kong on any business day from the date of this circular up to 14 days thereafter:

(a) the memorandum of continuance and the bye-laws of the Company;

(b) the letter from the Board to the Shareholders, the text of which is set out on pages 5 to 13 of this circular;

(c) the valuation report on the Target Property, the text of which is set out in Appendix II to this circular;

(d) the annual reports of the Company for the two financial years ended 31 December 2018;

(e) the material contacts referred to under section headed "11. Material Contracts" in this Appendix III; and

(f) this circular.