
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Grand Ming Group Holdings Limited, you should at once hand this circular and 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.



佳明
GRAND MING

GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

**CONNECTED TRANSACTION
DISPOSAL OF A PROPERTY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



A letter from the Board is set out on pages 4 to 9 of this circular. A letter from the Independent Board Committee is set out on pages 10 to 11 of this circular. A letter from Opus Capital, the Independent Financial Adviser, containing its recommendations to the Independent Board Committee and the Independent Shareholders is set out on pages 12 to 23 of this circular.

The EGM of the Company will be held at Function Room 1, 38/F, Holiday Inn Express Hong Kong Soho, 83 Jervois Street, Sheung Wan, Hong Kong at 10:00 a.m. on Friday, 1 March 2019. A notice convening the EGM is set out on pages 34 to 36 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to 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 as soon as possible and 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 at any adjournment thereof should you so wish.

14 February 2019

CONTENTS

| | <i>Pages</i> |
|--|--------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | 4 |
| LETTER FROM THE INDEPENDENT BOARD COMMITTEE | 10 |
| LETTER FROM THE INDEPENDENT FINANCIAL ADVISER | 12 |
| APPENDIX I – VALUATION REPORT | 24 |
| APPENDIX II – GENERAL INFORMATION | 30 |
| NOTICE OF EXTRAORDINARY GENERAL MEETING | 34 |

DEFINITIONS

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

| | |
|--|--|
| “Announcement” | the announcement of the Company dated 21 January 2019 in respect of the Disposal |
| “associate(s)”, “connected person(s)” | each has the meaning ascribed to it in the Listing Rules |
| “Board” | the board of Directors |
| “Company” | Grand Ming Group Holdings Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange |
| “Cristallo Project” | the residential development under the name of “Cristallo” located at No. 279 Prince Edward Road West, Kowloon, Hong Kong |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the sale of the Property by the Vendor to the Purchaser |
| “Effective Saleable Unit Rate(s)” | the transaction price per square foot calculated by dividing the transaction price of a residential property by the effective saleable area (measured in square foot) which consists of the sum of: (i) the saleable area of the residential property; and (ii) one-sixth of any non-saleable area (i.e. roof, flat roof, stairhood, pool, yard, etc.) (if applicable) |
| “EGM” | the extraordinary general meeting of the Company to be held to consider and approve, among other things, the Disposal |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |

DEFINITIONS

| | |
|--|---|
| “Independent Board Committee” | the independent committee of the Board comprising all independent non-executive Directors, namely Mr. Tsui Ka Wah, Mr. Kan Yau Wo, Mr. Mok Kwai Pui Bill and Mr. Lee Chung Yiu Johnny, established by the Board to advise the Independent Shareholders regarding the Disposal |
| “Independent Financial Adviser” or “Opus Capital” | Opus Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Disposal |
| “Independent Shareholders” | the Shareholders that are not required to abstain from voting at the EGM (i.e. the Shareholders, other than Mr. Lau, Lau CW Company Limited (a company wholly-owned by Mr. Lau), and their respective associates) |
| “Latest Practicable Date” | 11 February 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Lau” | Mr. Lau Chi Wah, being an executive Director and the spouse of the Purchaser |
| “Property” | Flat A on the 15th & 16th Floor (with a saleable area of 2,721 square feet) and the flat roof thereabove (with an area of 957 square feet) of Cristallo, No. 279 Prince Edward Road West, Kowloon, Hong Kong |
| “Purchaser” | Ms. Cheung Shuk Fong, being the spouse of Mr. Lau |
| “Purchaser’s Tender” | the form of tender (with the tender notice and the conditions of the tender sale attached thereto) submitted by the Purchaser to the Vendor for the purchase of the Property |
| “SFO” | the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong) |

DEFINITIONS

| | |
|---------------------|--|
| “Share(s)” | the ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Shares from time to time |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tender(s)” | tender(s) for sale of the Property |
| “Tender Invitation” | invitation for Tenders |
| “Vendor” | Able Business Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company |
| “%” | per cent |

LETTER FROM THE BOARD



佳明
GRAND MING

GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

Executive Directors:

Mr. CHAN Hung Ming (*Chairman*)

Mr. LAU Chi Wah

Mr. YUEN Ying Wai

Mr. KWAN Wing Wo

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-Executive Directors:

Mr. TSUI Ka Wah

Mr. KAN Yau Wo

Mr. MOK Kwai Pui Bill

Mr. LEE Chung Yiu Johnny

Head Office and Principal Place of

Business in Hong Kong:

19th Floor, Railway Plaza

39 Chatham Road South

Tsim Sha Tsui, Kowloon

Hong Kong

14 February 2019

To the Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION DISPOSAL OF A PROPERTY

INTRODUCTION

Reference is made to the Announcement. As disclosed in the Announcement, the Vendor accepted the Purchaser's Tender for the purchase of the Property from the Vendor, which constituted a contract for the Disposal. The Vendor agreed to sell the Property to the Purchaser at a consideration of HK\$148,000,000. The Disposal constitutes a connected transaction of the Company under the Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further particulars of the Disposal; (ii) the recommendations from the Independent Board Committee in relation to the Disposal; (iii) the advice from Opus Capital in relation to the Disposal; and (iv) a notice of the EGM to be convened for the purpose of considering and approving the Disposal.

THE DISPOSAL

On 8 January 2019, sales arrangement in respect of the Property was made available to the public on the website of the Cristallo Project, in which the Property was to be sold under tender and is comparable to other residential units in the Cristallo Project. The period of the Tender Invitation commenced from 12 January 2019 and ended on 31 January 2019 (except on 13, 20 and 27 January 2019) between 11:00 a.m. to 12:00 noon on each of these dates. Any interested parties of the public could obtain the tender notice and other relevant documents in respect of the Property from the Vendor, and submit the Tender together with other requested documents in the aforesaid time within the Tender Invitation period. During the Tender Invitation period, after the close of the Tender Invitation on each day, the Vendor would consider the Tender(s) received (if any) on that day. If the Vendor accepted the Tender submitted by a tenderer, the Vendor would sign the agreement for sale and purchase of the Property on the same date. The process of the Tender Invitation will then be closed and the Tender Invitation in the remaining days will no longer take place. If no Tender is received, the process of the Tender Invitation will continue on the next day (and on the second next day if the next day is a Sunday).

On 21 January 2019, the Vendor received and accepted the Purchaser's Tender for the purchase of the Property from the Vendor, which constituted a contract for the Disposal. At the close of the Tender Invitation on 21 January 2019, the Purchaser's Tender was the only Tender received by the Vendor in respect of the Property. The Purchaser and the Vendor have signed an agreement for sale and purchase in respect of the Disposal on the same date. The principal terms of the Disposal are set out below:-

- Date:** 21 January 2019
- Parties:** (i) the Vendor
(ii) the Purchaser
- Subject matter:** The Vendor agreed to sell the Property to the Purchaser, the particulars of which are set out below:-
- Flat A on the 15th & 16th Floor (with a saleable area of 2,721 square feet) and the flat roof thereabove (with an area of 957 square feet) of Cristallo, No. 279 Prince Edward Road West, Kowloon, Hong Kong.

LETTER FROM THE BOARD

Consideration: HK\$148,000,000, payable in cash in the following manner:-

- (a) a deposit of HK\$1,000,000 had been paid by the Purchaser upon the Vendor's acceptance of the Purchaser's Tender; and
- (b) the remaining balance of the consideration of HK\$147,000,000 shall be paid on or before 31 March 2019.

The consideration was the purchase price offered by the Purchaser under the Purchaser's Tender.

Completion: Completion shall take place on or before 31 March 2019.

Condition: The Disposal is subject to the approval by the Independent Shareholders at the EGM. In the event that the ordinary resolution relating to the Disposal was not duly passed by the Independent Shareholders at the EGM, the Vendor shall refund the deposit received without interest to the Purchaser.

INFORMATION OF THE CRISTALLO PROJECT AND THE PROPERTY

The Cristallo Project is a luxury residential development situated at No. 279 Prince Edward Road West, Kowloon, Hong Kong. It consists of 18 residential units together with a clubhouse and has an aggregate saleable area of approximately 32,000 square feet. The Group acquired the Cristallo Project through the acquisition of the entire equity interests of Market Rise Limited and its wholly-owned subsidiary, the Vendor (collectively the "**Market Rise Group**") in October 2017 at a consideration of approximately HK\$814 million (after adjustments). Details of the acquisition had set out in the announcement of the Company dated 30 August 2017. The Cristallo Project has been recorded as inventories of properties in the financial statements of the Group.

Up to the Latest Practicable Date, sale and delivery of one residential unit had been completed in August 2018. Provisional sale and purchase agreements for the sale of five residential units had also been entered into in October 2018 and completion of sale of these units are scheduled to take place between December 2020 and October 2021. All these six residential units were located at the lower levels of the building and unfurnished, and their average selling price were approximately HK\$29,400 per square foot as compared to the Property of approximately HK\$54,400 per square foot which is located at the highest floor of the building and is well renovated and furnished with furniture and fixtures (as it was used as a show flat of the Cristallo Project).

LETTER FROM THE BOARD

All residential units of the Cristallo Project are offered for sale by tender adopting the same tendering process as their sales arrangement. The remaining 11 residential units (other than the abovementioned six units and the Property) of the Cristallo Project will continue to launch for sale by means of tendering.

The Property is one of the residential units within the Cristallo Project and is located at Flat A on the 15th & 16th floor (with a saleable area of 2,721 square feet) and the flat roof thereabove (with an area of 957 square feet) of Cristallo, No. 279 Prince Edward Road West, Kowloon, Hong Kong. The Property is well renovated and furnished with furniture and fixtures and had been used as a show flat for the duplex unit since the Cristallo Project was launched for sale in April 2018.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Vendor considered the consideration and accepted the Purchaser's Tender by making reference to the average price of recently completed transactions of similar properties in the vicinity of the Property, condition of the Property and the preliminary valuation conducted by Colliers International (Hong Kong) Limited, an independent property valuer. The detailed valuation report prepared by Colliers International (Hong Kong) Limited is set out in Appendix I to this circular. The Disposal gives a good opportunity for the Group to realise the inventories of properties and enhance the Group's working capital.

Subject to audit, the Group is expected to realise a gain (before taking into account the sales and marketing expenses, finance costs attributable to the Property and the Cristallo Project and allocation of corporate expenses) of approximately HK\$68 million upon completion of the Disposal. The expected gain is calculated based on the consideration of the Property less the estimated development cost and other related expenses directly attributable to the Disposal. The Group will use approximately HK\$100 million of the net proceeds from the Disposal (after deducting the legal and professional fees and other related expenses) for the repayment of outstanding bank loans in relation to the acquisition of the Market Rise Group and the remaining sum of approximately HK\$48 million as working capital of the Vendor and the Group for payment of daily operating expenses. As part of the net proceeds will be applied towards the repayment of bank loans, the Group will also be able to save interest expenses as a result of the Disposal.

Residential units of the Cristallo Project are offered for sale by tender and the Disposal has been undertaken in the ordinary and usual course of business of the Group.

INFORMATION OF THE VENDOR AND THE GROUP

The Vendor is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in the business of property development. The Vendor is the legal and beneficial owner of the Property.

The Group is principally engaged in the business of building construction, property leasing and property development.

LETTER FROM THE BOARD

INFORMATION OF THE PURCHASER

The Purchaser is the spouse of Mr. Lau.

LISTING RULES IMPLICATION

The Purchaser, by virtue of being the spouse of Mr. Lau who is an executive Director, is an associate of a connected person of the Company under Rule 14A.12 of the Listing Rules. Hence the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since one of the applicable percentage ratios (other than the profits ratio) in respect of the Disposal exceeds 5%, the Disposal is subject to reporting, announcement, circular and Independent Shareholders' approval requirements under the Listing Rules.

As at the Latest Practicable Date, Mr. Lau is interested in 53,146,830 Shares, representing approximately 7.49% of the issued share capital of the Company. The Purchaser, by virtue of being the spouse of Mr. Lau, is deemed to be interested in Mr. Lau's interest in the Company. Mr. Lau, Lau CW Company Limited and their respective associates will abstain from voting on the resolution to be proposed at the EGM.

Due to his relationship with the Purchaser, Mr. Lau is regarded as being interested in the Disposal and therefore has abstained from voting on the relevant board resolution of the Vendor and the Company in approving the acceptance of the Purchaser's Tender, the Disposal and the agreement for sale and purchase in respect of the Disposal.

Save and except for the aforesaid, none of the Directors has any material interests in and of the acceptance of the Purchaser's Tender, the Disposal and the agreement for sale and purchase in respect of the Disposal and is required to abstain from voting on the resolution to approve, confirm and ratify the same.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising Mr. Tsui Ka Wah, Mr. Kan Yau Wo, Mr. Mok Kwai Pui Bill and Mr. Lee Chung Yiu Johnny, all being independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the Disposal. Opus Capital has also been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Disposal.

LETTER FROM THE BOARD

EGM

A notice convening the EGM to be held at Function Room 1, 38/F, Holiday Inn Express Hong Kong Soho, 83 Jervois Street, Sheung Wan, Hong Kong at 10:00 a.m. on Friday, 1 March 2019 is set out on pages 34 to 36 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to 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 as soon as possible and 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 at any adjournment thereof should you so wish.

RECOMMENDATION

The Directors (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of Opus Capital) are of the view that the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms and is conducted in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the resolution for approving the Disposal to be proposed at the EGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 February 2019 to Friday, 1 March 2019, both days inclusive, for the purpose of ascertaining Shareholder's entitlement to attend and vote at the EGM, during which period no share transfers can be registered. In order to be eligible to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with 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 not later than 4:30 p.m. on Monday, 25 February 2019.

ADDITIONAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee, the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders and the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Grand Ming Group Holdings Limited
Chan Hung Ming
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



佳明
GRAND MING

GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

14 February 2019

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
DISPOSAL OF A PROPERTY**

We refer to the circular of the Company dated 14 February 2019 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to consider whether the terms of the Disposal are fair and reasonable, whether the Disposal is on normal commercial terms and is conducted in the ordinary and usual course of business of the Group, and in the interests of the Company and the Independent Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board as set out on pages 4 to 9 of the Circular and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 12 to 23 of the Circular which contains its advice to us in respect of the Disposal. Your attention is also drawn to the valuation report issued by Colliers International (Hong Kong) Limited and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the reasons relating to the Disposal, the terms of the Disposal and the advice of the Independent Financial Adviser, we consider that the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms and is conducted in the ordinary and usual course of business of the Group, in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Disposal.

Yours faithfully,

The Independent Board Committee of
Grand Ming Group Holdings Limited

Mr. Tsui Ka Wah

Independent non-executive Director

Mr. Kan Yau Wo

Independent non-executive Director

Mr. Mok Kwai Pui Bill

Independent non-executive Director

Mr. Lee Chung Yiu Johnny

Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Opus Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal for the purpose of inclusion in this circular.



18th Floor, Fung House
19-20 Connaught Road Central
Central, Hong Kong

14 February 2019

To: The Independent Board Committee and the Independent Shareholders of Grand Ming Group Holdings Limited

Dear Sir or Madam,

CONNECTED TRANSACTION DISPOSAL OF A PROPERTY

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 Disposal, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 14 February 2019 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 21 January 2019, Able Business Development Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor, received and accepted the tender from Ms. Cheung Shuk Fong, as the Purchaser, being the spouse of Mr. Lau who is an executive Director, for the purchase of the Property, which constituted a contract for the Disposal.

The Purchaser, by virtue of being the spouse of Mr. Lau who is an executive Director, is an associate of a connected person of the Company under Rule 14A.12 of the Listing Rules. As such, the Purchaser is also a connected person to the Company and the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As one of the applicable percentage ratios (other than the profits ratio) in respect of the Disposal exceeds 5%, the Disposal is subject to reporting, announcement, circular and Independent Shareholders’ approval requirements under the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Purchaser, due to her relationship with Mr. Lau, is deemed to be interested in Mr. Lau's interest of 53,146,830 Shares, representing approximately 7.49% of the issued share capital of the Company. As such, Mr. Lau, Lau CW Company Limited and their respective associates will be required to abstain from voting on the resolution approving the Disposal at the EGM.

Due to his relationship with the Purchaser, Mr. Lau is regarded as being interested in the Disposal and therefore had abstained from voting on the relevant board resolution of the Vendor and the Company in approving the acceptance of the Purchaser's Tender, the Disposal and the agreement for sale and purchase in respect of the Disposal.

Save and except for the aforesaid, none of the Directors has any material interests in and of the acceptance of the Purchaser's Tender, the Disposal and the agreement for sale and purchase in respect of the Disposal and is required to abstain from voting on the resolution to approve, confirm and ratify the same.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising of Mr. Tsui Ka Wah, Mr. Kan Yau Wo, Mr. Mok Kwai Pui Bill and Mr. Lee Chung Yiu Johnny, being all the independent non-executive Directors, has been formed to advise and make recommendations to the Independent Shareholders in respect of the Disposal. Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee in this respect.

Our role as the Independent Financial Adviser is to advise the Independent Board Committee and the Independent Shareholders as to: (i) whether the terms of the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; (ii) whether the Disposal was conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote on the resolution in relation to the Disposal at the EGM.

OUR INDEPENDENCE

We do not have any relationship with, or interest in, the Group, the Vendor, the Purchaser or other parties that could reasonably be regarded as relevant to our independence. Apart from normal independent financial advisory fees paid or payable to us in connection with this appointment, no arrangements existed whereby we had received or will receive any fees or benefits from the Group, the Vendor, the Purchaser or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, amongst other things:

- (i) the Company's interim report for the six months ended 30 September 2018 (the "**2018 Interim Report**");
- (ii) the Company's annual report for the financial year ended 31 March 2018 (the "**2017/18 Annual Report**");
- (iii) the valuation report dated 14 February 2019 in relation to the valuation of the Property as at 15 January 2019 (the "**Valuation**") issued by Colliers International (Hong Kong) Limited, the independent property valuer (the "**Valuer**"), as set out in Appendix I to the Circular (the "**Valuation Report**");
- (iv) the Purchaser's Tender;
- (v) the formal agreement entered into between the Vendor and the Purchaser for sale and purchase of the Property (the "**Formal Agreement**"); and
- (vi) other information as set out in the Circular.

We have also discussed the valuation methodology, bases and assumptions adopted by the Valuer with the Valuer.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Group (collectively, the "**Management**"). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information have been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of the Disposal, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Disposal, we have taken into consideration the following principal factors and reasons:

1. Information of the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Company is an investment holding company and the Group is engaged in the following principal activities:

(a) Construction

The Group provides building services as a main contractor in property development projects for Hong Kong developers, as well as existing building alterations, renovation and fitting-out works services.

(b) Data centre premises leasing

The Group owned, developed and leased out raised floor space of two data centre buildings.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) Property development

The Group has two property development projects. The first property development project is situated in Tsing Yi (the “**Tsing Yi Property**”) with a gross floor area of approximately 400,000 square feet for private residential purposes and foundation works of the development are now progressing. The second property development project is the Cristallo Project with details set out in the section headed “4. Information of the Cristallo Project and the Property” below.

2. Information of the Vendor

The Vendor is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company acquired by the Group in October 2017 from the acquisition (the “**Market Rise Acquisition**”) of the entire interests of Market Rise Limited together with its wholly-owned subsidiary, the Vendor (collectively referred to as the “**Market Rise Group**”) at a consideration of approximately HK\$814 million (after adjustments). It is principally engaged in the business of property development. The Vendor is the legal and beneficial owner of the Property.

3. Information of the Purchaser

The Purchaser is the spouse of Mr. Lau, who is an executive Director and the Chief Executive Officer of the Group.

4. Information of the Cristallo Project and the Property

The Cristallo Project is a newly completed luxury low-density residential building situated at No. 279 Prince Edward Road West, Kowloon, Hong Kong, a traditional luxury district of Kowloon. It consists of 18 residential units with unit size ranging from 1,304 square feet to 2,721 square feet together with a clubhouse and has an aggregate saleable area of approximately 32,000 square feet. Being the crown jewel of the Market Rise Group, the Group acquired the Cristallo Project through the Market Rise Acquisition in October 2017 and the Cristallo Project has been recorded as inventories of properties in the financial statements of the Group.

Up to the Latest Practicable Date, sale and delivery of 1 residential unit had been completed in August 2018. Provisional sale and purchase agreements of 5 residential units had also been entered into in October 2018 and completions of sale of these units are scheduled to take place between December 2020 and October 2021. All these 6 units were located at the lower level of the building and unfurnished, and their average selling price were approximately HK\$29,400 per square foot as compared to the Property of approximately HK\$54,400 per square foot which is located at the highest floor of the building and is well renovated and furnished with furniture and fixtures.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

All residential units of the Cristallo Project (including the Property) are offered for sale by tender adopting the same tendering process as their sales arrangement. The remaining 11 residential units (other than the abovementioned 6 units and the Property) of the Cristallo Project will continue to launch for sale by means of tendering.

The Property is one of the residential units within the Cristallo Project and is located at Flat A on 15th & 16th floor (with a saleable area of 2,721 square feet) and the flat roof thereabove (with an area of 957 square feet) of Cristallo, No. 279 Prince Edward Road West, Kowloon, Hong Kong. The Property is well renovated and furnished with furniture and fixtures and had been used as a show flat for the duplex unit since the Cristallo Project was launched for sale in April 2018. We have conducted a site visit to the Property on 22 January 2019.

On 8 January 2019, the sales arrangement in respect of the Property was made available to the public on the website of the Cristallo Project, in which the Property was to be sold under tender and is comparable to other residential units in the Cristallo Project. The period of the Tender Invitation commenced from 12 January 2019 and ended on 31 January 2019 (except on 13, 20 and 27 January 2019) between 11:00 a.m. to 12:00 noon on each of these dates. Any interested parties of the public could obtain the tender notice and other relevant documents in respect of the Property from the Vendor, and submit the Tender together with other requested documents in the aforesaid time within the Tender Invitation period. During the Tender Invitation period, after the close of the Tender Invitation on each day, the Vendor would consider the Tender(s) received (if any) on that day. If the Vendor accepted the Tender submitted by a tenderer, the Vendor would sign the agreement for sale and purchase of the property on the same date. The process of the Tender Invitation will then be closed and the Tender Invitation in the remaining days will no longer take place. If no Tender is received, the process of the Tender Invitation will continue on the next day (and on the second next day if the next day is a Sunday).

We are of the view that given, among others, (i) the sales arrangement by the Tender of the Property was comparable to other residential units in the Cristallo Project; (ii) the sales arrangement in respect of the Property was openly made available to the public; and (iii) as confirmed with the Management, the sales arrangement of the Property is in compliance with the relevant rules and regulations in relation to the sale of first hand residential properties in Hong Kong, we are of the view that the sales arrangement in respect of the Property to be fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Business outlook

As stated in the 2018 Interim Report, despite the uncertainties of the global business environment resulted from increasing interest rate and the US-China trade war, the Management is cautiously optimistic about the Hong Kong property market due to the prolonged supply and demand imbalance of private residential units and especially the lack of supply of new residential units in the local traditional luxury area. The Management is positive that the Cristallo Project will bring satisfactory return to the Group. The Group commenced the sale of residential units of the Cristallo Project through tendering process and so far had secured provisional sale and purchase agreements for several residential units during the second half of 2018.

As set out in the 2018 Interim Report, although the residential property prices remain at a high level, the Management believes that the hot property price had halted the rising trend and starts to consolidate. This may offer opportunity for the Group to expand its land bank. Apart from participating in public tender of government land either by the Group itself or through joint venture with other property developers, the Management is also exploring other acquisition options like acquisition of en-bloc completed properties or properties with fully consolidated ownership.

The property development segment is a new business segment of the Group. As shown in the 2017/18 Annual Report and the 2018 Interim Report, the property development segment of the Group did not generate any revenue for the year ended 31 March 2018 and only started generating revenue for the six months ended 30 September 2018. As mentioned above, there were 5 provisional sales and purchase agreements entered into in respect of the residential units of the Cristallo Project but completions are scheduled to take place by the end of 2020 to late 2021. Meanwhile, the Group has commenced preparatory work for the pre-sale of the Tsing Yi Property. Against this background, revenue generated from the sale of residential units of the Cristallo Project is expected to facilitate the recovery of cashflow and financial resources and strengthen the Group's property development segment especially during 2019 and 2020.

6. Reasons for and benefits of the Disposal

As stated in the Letter from the Board, the Vendor considered the consideration and accepted the Purchaser's Tender by making reference to the average price of recently completed transactions of similar properties in the vicinity of the Property, condition of the Property and the preliminary valuation conducted by the Valuer. The Management perceives that the Disposal provides the Group with a good opportunity to realise the existing inventories of properties with an estimated gain of approximately HK\$68 million and enhance the Group's working capital. The Group will utilise approximately HK\$100 million of the net proceeds from the Disposal (after deducting the legal and professional fees and other related expenses) for the repayment of outstanding bank loans in relation to the Market Rise Acquisition while the remainder of the net proceeds of approximately HK\$48 million will be for working capital of the Vendor and the Group for payment of daily operating expenses. As part of the net proceeds will be used for the repayment of bank loans, the Group will also enjoy interest savings as a result of the Disposal.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account that: (i) the consideration for the Disposal is referenced to, among others, recently completed market transactions and the Valuation; (ii) the Disposal strengthens the Group's working capital and reduces the Group's debt level with interest savings; (iii) the Disposal facilitates the development of the Group's property development segment; and (iv) the Disposal is conducted in the ordinary and usual course of business of the Group as property development is one of the Group's principal activities, we concur with the Board on the rationale of the Disposal.

7. Principal terms of the Disposal

| | |
|-----------------|--|
| Date: | 21 January 2019 |
| Parties: | (i) the Purchaser (ii) the Vendor |
| Subject matter: | The Property |
| Consideration: | HK\$148,000,000, payable in cash in the following manner: (a) a deposit of HK\$1,000,000 had been paid by the Purchaser upon the Vendor's acceptance of the Purchaser's Tender; and (b) the remaining balance of the consideration of HK\$147,000,000 shall be paid on or before 31 March 2019. The consideration was the purchase price offered by the Purchaser under the Purchaser's Tender. |
| Completion: | Completion shall take place on or before 31 March 2019. |
| Condition: | The Disposal is subject to the approval by the Independent Shareholders at the EGM. In the event that the ordinary resolution relating to the Disposal was not duly passed by the Independent Shareholders at the EGM, the Vendor shall refund the deposit received without interest to the Purchaser. |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

8. Evaluation of consideration – The Valuation

We have reviewed the Valuation Report and interviewed the project team leader of the Valuer with particular attention to: (i) the terms of engagement of the Valuer with the Company; (ii) the qualification and experience of the Valuer in relation to the preparation of the Valuation Report; and (iii) the steps and due diligence measures taken by the Valuer in performing the Valuation. After our review of the engagement letter between the Company and the Valuer, we are satisfied that the scope of work performed by the Valuer is appropriate to perform the Valuation. We are not aware of any limitation on the scope of work which might have a negative impact on the degree of assurance given by the Valuer. The Valuer has confirmed that it is independent from the Company, the Purchaser and the Vendor and its related persons. We further understand that the Valuer is certified with the relevant professional qualifications required to perform the Valuation. The person in-charge of the Valuation has over 18 years of experience in conducting property valuation services. We also note that the Valuer mainly conducted its due diligence through site inspection, its own research and has relied on public information obtained through its own research as well as the information provided by the Management. The Valuer represented that it has assumed such information to be true, complete and accurate and has accepted it without verification. In light of the above, we are not aware of any matters that would cause us to question the Valuer's expertise and independence and we consider that the Valuer has sufficient expertise and is independent to perform the Valuation.

To assess the Valuation, we have reviewed the Valuation Report and have conducted an interview with the Valuer to discuss and review the methodology, bases and assumptions adopted and assumptions made in arriving at the Valuation. As stated in the Valuation Report, the Valuer has valued the Property based on the assumption that the Vendor disposes the Property in the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Property. The Valuation was conducted by comparing recent sales of similar interests in the lands or buildings located in the surrounding area of the Property. The Valuer considers that the market approach is the most appropriate valuation method for the Property as it is commonly used to value standard properties when reliable sales evidence is available. We understand that the market approach is a commonly adopted approach for property valuation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In arriving at the appraised value for the Property by market approach, the Valuer generally starts by collecting and comparing recent sales of similar interests or buildings located in the surrounding area of the Property. The main market comparables available for the comparison are Ultima (天鑄) and Kadooria, both are located in Ho Man Tin, Kowloon. Adjustments have then been made to the collected market comparables to reflect the differences between the market comparables and the Property in terms of, among others, time, unit size, location, building age, floor level, view, facilities and other relevant factors. We note that the market comparables' Effective Saleable Unit Rates ranged from approximately HK\$47,300 to approximately HK\$60,700 while the Valuer's adopted Effective Saleable Unit Rate for the Property is approximately HK\$51,500, which falls within the range of the market comparables. We further note that the above valuation bases and assumptions as adopted by the Valuer are customary bases and assumptions adopted in market approach.

Based on the above, we consider that the methodology, bases and assumptions adopted by the Valuer in arriving at the Valuation are appropriate.

Having considered that: (i) the market approach as adopted by the Valuer in the Valuation Report is a commonly adopted approach for property valuation; (ii) valuation bases and assumptions as adopted by the Valuer are customary bases and assumptions adopted in market approach; and (iii) the consideration for the Disposal was determined with reference to, among others, recently completed market transactions and the Valuation, we are of the view that the Disposal is on normal commercial terms.

9. Evaluation of consideration – comparable transactions of the Cristallo Project

As mentioned under section headed "4. Information of the Cristallo Project and the Property", 6 residential units (collectively referred as the "**Cristallo Comparables**") of the Cristallo Project were either sold or in the process of completion.

We note that the average saleable unit rate of the Cristallo Comparables was approximately HK\$29,400. The saleable unit rate of the Property is approximately HK\$54,400 which is significantly higher than the average saleable unit rate of the Cristallo Comparables.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We note that for completing the Disposal, a deposit of HK\$1 million had been paid by the Purchaser upon the Vendor's acceptance of the Purchaser's Tender and the remaining balance of the consideration of HK\$147 million shall be paid by the Purchaser to the Vendor on or before 31 March 2019. We note that the deposits paid by the Cristallo Comparables ranged from 10% to 15% with an average of approximately 11%. We sought an explanation as to why the deposit for the Disposal was seemingly significantly less than those of the Cristallo Comparables. As explained by the Management, all the terms and conditions (including the deposit rate/amount) in the tender notice and other relevant documents in respect of sales of each residential unit of the Cristallo Project are determined by the Vendor according to its sales strategy and prevailing market conditions. Submission of the tender by the interested buyer(s) constitutes his/her/its agreement to these terms and conditions and a formal offer for the purchase of the relevant unit. On acceptance of the tender by the Vendor, a formal sale and purchase agreement of the unit shall be entered into by the Vendor and the confirmed buyer. Therefore, in the case of the Disposal, the Vendor, having considered: (i) the high sale value of the Property relative to the Cristallo Comparables; and (ii) the short completion period of the Disposal (i.e. before 31 March 2019) while most of the Cristallo Comparables will complete by 2020 or 2021, determined it was reasonable and beneficial to set the deposit amount of HK\$1 million for the Disposal. The terms and conditions of the Tender (including the deposit amount of HK\$1 million) was equally open to the general public during the period of the Tender Invitation.

Having considered that: (i) the average saleable unit rate of the Property is significantly higher than those of the Cristallo Comparables; and (ii) all the terms and conditions of the Tender (including the deposit amount of HK\$1 million) were equally open to the general public during the period of the Tender Invitation and was commercially determined by the Vendor having regard to its sales strategy and prevailing market conditions, we are of the view that the consideration and the terms of payment of the Disposal to be fair and reasonable.

10. Financial effects of the Disposal

Earnings

As stated in the Letter from the Board, the Group is expected to realise a gain (before taking into account the sales and marketing expenses, finance costs attributable to the Property and the Cristallo Project and allocation of corporate expenses) of approximately HK\$68 million upon completion of the Disposal, which is calculated based on the consideration of the Property less the estimated development cost and other related expenses directly attributable to the Disposal. The Independent Shareholders should however note the actual realised gain from the Disposal would be subject to audit.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Net assets, gearing and working capital

Upon completion of the Disposal, the Group's net assets are expected to increase by approximately HK\$68 million, being the aforementioned expected gain from the Disposal, without taking into account the sales and marketing expenses, finance costs attributable to the Property and the Cristallo Project and allocation of corporate expenses. As shown in the 2018 Interim Report, the gearing ratio of the Group increased from approximately 129.7% as at 31 March 2018 to approximately 138.8% as at 30 September 2018. As previously mentioned, the Disposal gives a good opportunity for the Group to realise its inventories of properties and enhance its working capital, we are of the view that it is in the interests of the Company and Shareholders for the Management to consider lowering the gearing ratio of the Group by deploying approximately HK\$100 million of the net proceeds from the Disposal for repayment of outstanding bank loans in relation to the Market Rise Acquisition. The remaining portion of the net proceeds of approximately HK\$48 million will be used for working capital of the Vendor and the Group for payment of daily operating expenses. Based on the above, the Disposal is expected to have a positive impact on the net assets, net debt and working capital of the Group.

RECOMMENDATION

Based on the factors discussed above, we are of the opinion that the Disposal is conducted in the ordinary and usual course of business of the Group, the terms of the Disposal are fair and reasonable and the Disposal is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution approving the Disposal at the EGM.

Yours faithfully,
For and on behalf of
Opus Capital Limited
Koh Kwai Yim
Executive Director

Ms. Koh Kwai Yim is the Executive Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Koh has over 17 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

The following is the valuation report prepared for the purpose of the incorporation in this circular, received from Colliers International (Hong Kong) Limited, an independent valuer, in connection with its valuation as at 15 January 2019 of the property interests of Grand Ming Group Holdings Limited.

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



Suite 5701 Central Plaza
18 Harbour Road Wanchai
Hong Kong

The Board of Directors

Grand Ming Group Holdings Limited
19/F, Railway Plaza
No. 39 Chatham Road South
Tsim Sha Tsui, Kowloon, Hong Kong

14 February 2019

Dear Sirs,

Re: Valuation of Flat A on 15th Floor and 16th Floor, Cristallo, No. 279 Prince Edward Road West, Kowloon, Hong Kong (the “Property”)

INSTRUCTIONS, PURPOSE AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the leasehold interests of the Property in which Grand Ming Group Holdings Limited (the “Client”) and its subsidiaries (hereinafter together referred to as the “Group”) have interests in Hong Kong, for the purpose of issuing a public circular in relation to a connected transaction of the Property. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of the leasehold interests of the Property in its existing state, as at 15 January 2019 (the “Valuation Date”).

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2017 published by The Hong Kong Institute of Surveyors effective from 30 December 2017 with reference to the International Valuation Standards 2017 published by the International Valuation Standards Council effective from 1 July 2017; and the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

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

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, or any similar arrangements which would affect its value.

No allowances have been made in our valuation for any charges, mortgages or amounts owing neither on the Property nor for any expenses or taxes which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

As the Property is held under long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the land tenure.

We have assumed that the areas shown on the documents and/or official plans handed to us by the Group are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

In addition, we have made the following assumptions:

- All information on the Property provided by the Client is correct.
- Proper ownership titles of and relevant planning approvals for the Property have been obtained, all payable land premiums, land-use rights fees and other relevant fees have been fully settled and the Property can be freely transferred, sub-let, mortgaged or otherwise disposed of.
- The Property has been fully developed, and is occupied and used in full compliance with, and without contravention of, all ordinances and regulations except only where otherwise stated.

VALUATION METHODOLOGY

We have adopted the Market Approach in determining the Market Value of the Property. It is an approach to estimate the value of a property by comparing recent sales of similar interests in the lands or buildings located in the surrounding area. By analysing sales which qualify as ‘arms-length’ transactions, between willing buyers and sellers, adjustments can be made for size, location, time, age, quality and other relevant factors when comparing such sales against the Property. This approach is commonly used to value standard properties when reliable sales evidence is available.

INFORMATION SOURCES

We have relied to a considerable extent on the information and documents provided by the Group, in particular but not limited to, the identification of the Property, the particulars of occupancy and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect any material information has been withheld.

TITLE INVESTIGATION

We have made enquires and relevant searches at the Hong Kong Land Registry. However, we have not searched the original documents nor verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

SITE INSPECTION

We have inspected the exteriors and the interiors of the Property. Our inspection of the Property was carried out by Stella Ho (MRICS and MHKIS) and Candy Tsang (MRICS) on 11 January 2019. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report as to whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services. Our valuation has been prepared on the assumption that these aspects are satisfactory.

We are unaware of any adverse ground conditions affecting the Property and have not had sight of a ground and soil survey. We have not carried out investigations on site to determine the suitability of the ground conditions and services etc. for any future developments. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the development period. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollars (“HKD”).

Our valuation of the Property is set out on the Valuation Particulars attached hereto, which together with this covering letter, form our valuation report.

Yours faithfully,

For and on behalf of

Colliers International (Hong Kong) Limited

Stella Ho

BSSc(Hons) MSc MRICS MHKIS RPS(GP) MCIREA

Registered Real Estate Appraiser PRC

Director

Valuation & Advisory Services

Note:

Stella Ho is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region, a Member of China Institute of Real Estate Appraisers and Agents and a Registered Real Estate Appraiser PRC. She is suitably qualified to carry out the valuation and has over 18 years of experience in the valuation of properties of this magnitude and nature in Hong Kong and China.

VALUATION PARTICULARS

Property Interests held for Sale by the Group in Hong Kong

| Property | Description and tenure | Particulars of occupancy | Market Value in existing state as at 15 January 2019 |
|---|---|---|--|
| Flat A on 15th Floor and 16th Floor, Cristallo, No. 279 Prince Edward Road West, Kowloon, Hong Kong | The Property is a furnished duplex unit situated on 15th floor and 16th floor within a residential development, namely Cristallo located at No. 279 | As at the Valuation Date, the Property was vacant. | HKD148,000,000 (Hong Kong Dollars One Hundred and Forty Eight Million) |
| 262/3,264th Shares of Kowloon Inland Lot No. 2453 | Prince Edward Road West in Kowloon. As per the Occupation Permit No. KN45/2016, it was completed in about 2016. | As per the sales brochure of Cristallo, the saleable area of the Property is approximately 2,721 square feet plus a flat roof of approximately 957 square feet. | |
| | The subject lot is held under Government Lease for a term of 75 years commencing from 30 March 1931 and renewable for a further term of 75 years. | | |

Notes:

1. The details of the land search records of the Property dated 16 January 2019 are summarized below:

| Item | Details | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------|--|---------------------|----------------------------|---------------------|----------------|------------|----------------|----------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|--------------|------------|----------------|-------------|------------|----------------|
| Registered Owner: | Able Business Development Limited for Kowloon Inland Lot No. 2453, registered vide various assignments as summarized in the following table: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Date</th> <th style="text-align: right;">Consideration (HKD)</th> <th style="text-align: right;">Memorial No.</th> </tr> </thead> <tbody> <tr> <td>15 August 2012</td> <td style="text-align: right;">17,680,000</td> <td style="text-align: right;">12082802070026</td> </tr> <tr> <td>15 August 2012</td> <td style="text-align: right;">17,680,000</td> <td style="text-align: right;">12082802070011</td> </tr> <tr> <td>12 July 2011</td> <td style="text-align: right;">11,800,000</td> <td style="text-align: right;">11081100890182</td> </tr> <tr> <td>12 July 2011</td> <td style="text-align: right;">14,000,000</td> <td style="text-align: right;">11081100890167</td> </tr> <tr> <td>12 July 2011</td> <td style="text-align: right;">15,000,000</td> <td style="text-align: right;">11081100890156</td> </tr> <tr> <td>12 July 2011</td> <td style="text-align: right;">15,000,000</td> <td style="text-align: right;">11081100890139</td> </tr> <tr> <td>12 July 2011</td> <td style="text-align: right;">11,000,000</td> <td style="text-align: right;">11081100890114</td> </tr> <tr> <td>12 July 2011</td> <td style="text-align: right;">11,000,000</td> <td style="text-align: right;">11081100890108</td> </tr> <tr> <td>15 July 2011</td> <td style="text-align: right;">14,180,000</td> <td style="text-align: right;">11080800960046</td> </tr> <tr> <td>13 July 2011</td> <td style="text-align: right;">14,000,000</td> <td style="text-align: right;">11080800960038</td> </tr> <tr> <td>15 July 2011</td> <td style="text-align: right;">10,900,000</td> <td style="text-align: right;">11080800960021</td> </tr> <tr> <td>23 May 2011</td> <td style="text-align: right;">25,000,000</td> <td style="text-align: right;">11061002240024</td> </tr> </tbody> </table> | Date | Consideration (HKD) | Memorial No. | 15 August 2012 | 17,680,000 | 12082802070026 | 15 August 2012 | 17,680,000 | 12082802070011 | 12 July 2011 | 11,800,000 | 11081100890182 | 12 July 2011 | 14,000,000 | 11081100890167 | 12 July 2011 | 15,000,000 | 11081100890156 | 12 July 2011 | 15,000,000 | 11081100890139 | 12 July 2011 | 11,000,000 | 11081100890114 | 12 July 2011 | 11,000,000 | 11081100890108 | 15 July 2011 | 14,180,000 | 11080800960046 | 13 July 2011 | 14,000,000 | 11080800960038 | 15 July 2011 | 10,900,000 | 11080800960021 | 23 May 2011 | 25,000,000 | 11061002240024 |
| Date | Consideration (HKD) | Memorial No. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 August 2012 | 17,680,000 | 12082802070026 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 August 2012 | 17,680,000 | 12082802070011 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 July 2011 | 11,800,000 | 11081100890182 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 July 2011 | 14,000,000 | 11081100890167 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 July 2011 | 15,000,000 | 11081100890156 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 July 2011 | 15,000,000 | 11081100890139 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 July 2011 | 11,000,000 | 11081100890114 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 July 2011 | 11,000,000 | 11081100890108 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 July 2011 | 14,180,000 | 11080800960046 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 July 2011 | 14,000,000 | 11080800960038 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 July 2011 | 10,900,000 | 11080800960021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23 May 2011 | 25,000,000 | 11061002240024 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Government Rent: | HKD403,588 per annum (for Kowloon Inland Lot No. 2453) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Major Encumbrances: | <ul style="list-style-type: none"> • Modification Letter with Plan dated 1 December 2015, registered vide Memorial No. 15120801430016 (Remarks: From the Government of the Hong Kong Special Administrative Region by the District Lands Officer/Kowloon East); • Occupation Permit [Permit No. KN45/2016(OP)] dated 24 October 2016, registered vide Memorial No. 16110201970014; • Certificate of Compliance dated 30 March 2017, registered vide Memorial No. 17042402250062 (Remarks: From District Lands Office/Kowloon East Lands Department); • Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited dated 2 November 2017, registered vide Memorial No. 17110900700031; and • Deed of Mutual Covenant and Management Agreement with Plans in favour of Grand Ming Property Management Limited dated 10 August 2018, registered vide Memorial No. 18082102320036 (Registration Withheld). | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

2. The Property falls within an area zoned as “Residential (Group B)” under Approved Ho Man Tin Outline Zoning Plan No. S/K7/24 statutorily exhibited on 18 September 2015.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

Interest and short positions of Directors in Shares, underlying Shares or debentures of the Company and its associated corporations

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

| Name of Director | Name of Group member/associated corporation | Capacity/Nature of interest | Number of ordinary shares held (note 1) | Approximate percentage of shareholding |
|--------------------|---|---|---|--|
| Mr. Chan Hung Ming | The Company | Interest of a controlled corporation (note 2) | 478,321,470 (L) | 67.39% |
| | Chan HM Company Limited | Beneficial owner | 1 | 100% |
| Mr. Lau | The Company | Interest of a controlled corporation (note 3) | 53,146,830 (L) | 7.49% |

Notes:

- The letter "L" denotes the Directors' long position in the shares of the Company or the relevant associated corporation.
- Mr. Chan Hung Ming holds 100% of the issued share capital of Chan HM Company Limited, which owns 478,321,470 shares out of the issued share capital of the Company. Therefore, Mr. Chan Hung Ming is deemed to have the same interest in the Company.

3. Mr. Lau holds 100% of the issued share capital of Lau CW Company Limited, which owns 53,146,830 shares out of the issued share capital of the Company. Therefore, Mr. Lau is deemed to have the same interest in the Company.

Interest and short positions of the substantial shareholders' interests in Shares and underlying Shares

As at the Latest Practicable Date, so far as the Directors were aware, the following persons/entity (not being the Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company or any of its associated corporations which were required to be notified to the Company under Divisions 2 and 3 of part XV of the SFO or which were recorded in the register of the Company required to be kept under Section 336 of the SFO:

| Name of Shareholder | Capacity/Nature of interest | Number of ordinary shares held (note 1) | Approximate percentage of shareholding |
|----------------------------|------------------------------------|--|---|
| Chan HM Company Limited | Beneficial owner | 478,321,470 (L) | 67.39% |
| Lau CW Company Limited | Beneficial owner | 53,146,830 (L) | 7.49% |
| Ms. Cheung Shuk Fong | Family (note 2) | 53,146,830 (L) | 7.49% |

Note:

1. The letter "L" denotes the person's/entity's long position in the shares of the Company or the relevant Group member.
2. Ms. Cheung Shuk Fong, who is the Purchaser and spouse of Mr. Lau, is deemed to be interested in Mr. Lau's interest in the Company by virtue of the SFO.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at the date of this circular which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

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

4. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors nor their respective close associates had any personal interests in companies engaged in business, which compete or may compete with the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 March 2018 (being the date to which the latest published audited financial statements of the Company were made up).

6. INTEREST IN ASSETS AND CONTRACTS OR ARRANGEMENTS

Save as disclosed in this circular, as at the Latest Practicable Date, (i) none of the Directors had any direct or indirect interest in any asset which, since 31 March 2018 (the date to which the latest published audited financial statements of the Group were made up), had been or were proposed to be acquired or disposed of by, or leased to, any member of the Group; (ii) none of the Directors was materially interested in any contract or arrangement subsisting which was significant in relation to the business of the Group.

7. QUALIFICATION AND CONSENT OF EXPERTS

The following sets out the qualification of the experts who have given opinions, letter or advice included in this circular:

| Name | Qualification |
|---|--|
| Opus Capital | a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |
| Colliers International (Hong Kong) Limited | independent property valuer |

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report or opinion (or summaries thereof) (as the case may be) and references to its name herein in the form and context in which they respectively appear.

Each of the above experts had confirmed that, as at the Latest Practicable Date:

- (a) it did not have any shareholding, directly or indirectly, in any member of the Group or had any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) it did not have any direct or indirect interest in any assets which had since 31 March 2018 (being the date to which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 19/F, Railway Plaza, No. 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong from the date of this circular up to and including the date of the EGM and at the EGM:

- (a) the letter from the Board, the text of which is set out in “Letter from the Board” in this circular;
- (b) the letter from the Independent Board Committee, the text of which is set out in “Letter from the Independent Board Committee” in this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out in “Letter from the Independent Financial Adviser” in this circular;
- (d) the property valuation report, the text of which is set out in Appendix I to this circular;
- (e) the written consents referred to in paragraph headed “7. Qualification and Consent of Experts” of this appendix;
- (f) the Purchaser’s Tender;
- (g) the agreement for sale and purchase of the Property; and
- (h) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



佳明
GRAND MING

GRAND MING GROUP HOLDINGS LIMITED

佳明集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1271)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of shareholders of Grand Ming Group Holdings Limited (the “**Company**”) will be held at Function Room 1, 38/F, Holiday Inn Express Hong Kong Soho, 83 Jervois Street, Sheung Wan, Hong Kong at 10:00 a.m. on Friday, 1 March 2019, as special business, to consider and, if thought fit, pass with or without amendment the following resolution:

ORDINARY RESOLUTION

“THAT:

- (a) the acceptance by Able Business Development Limited (the “**Vendor**”) of the tender dated 21 January 2019 submitted by Ms. Cheung Shuk Fong as purchaser (the “**Purchaser**”) in relation to the sale of Flat A on the 15th and 16th Floor and the flat roof thereabove of Cristallo, No. 279 Prince Edward Road West, Kowloon, Hong Kong (the “**Property**”) by the Vendor at a consideration of HK\$148,000,000 (the “**Tender**”) be and are hereby approved, confirmed and ratified;
- (b) the agreement for sale and purchase dated 21 January 2019 entered into between the Purchaser and the Vendor, pursuant to the acceptance of the Tender by the Vendor in relation to, among other things, the sale and purchase of the Property for a consideration of HK\$148,000,000 (the “**Agreement**”) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any one director of the Company be and is hereby generally and unconditionally authorized to do all such acts and things, to sign and execute all such documents 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 Tender and the Agreement and the transactions contemplated thereunder.”

By order of the Board
Grand Ming Group Holdings Limited
Leung Wai Chuen
Company Secretary

Hong Kong, 14 February 2019

Principal Place of Business:

19th Floor, Railway Plaza
39 Chatham Road South
Tsim Sha Tsui, Kowloon
Hong Kong

Registered Office:

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

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and, subject to the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. 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.
2. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is duly signed, or a notarially certified copy of such power of attorney 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 and in any event, not less than 48 hours (excluding any part of a day that is public holiday) before the time appointed for holding the Meeting or any adjournment thereof.
4. Members of the Company whose names appear on the register of members of the Company at 4:30 p.m. on Monday, 25 February 2019 shall be entitled to attend and vote at the Meeting. In order to be entitled to attend and vote at the Meeting, all completed share transfer documents accompanied by the relevant share certificates must be lodged with 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 no later than 4:30 p.m. on Monday, 25 February 2019.

NOTICE OF EXTRAORDINARY GENERAL MEETING

5. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto; but if more than one of such joint holder be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
6. Pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the voting on the resolution at the Meeting will be conducted by way of poll.

As at the date of this notice, the Board comprises:

Executive Directors:

Mr. Chan Hung Ming

Mr. Lau Chi Wah

Mr. Yuen Ying Wai

Mr. Kwan Wing Wo

Independent Non-Executive Directors:

Mr. Tsui Ka Wah

Mr. Kan Yau Wo

Mr. Mok Kwai Pui Bill

Mr. Lee Chung Yiu Johnny