

RNS Number : 4319M

Date: 28 July 2017

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*This joint announcement is an advertisement and not a prospectus. Investors should not take an investment decision in relation to the Offer referred to in this joint announcement except on the basis of information in the composite document (the “Composite Document”) published by the Offeror and AGP in connection with the Offer. Copies of the Composite Document and the accompanying form of acceptance are made available for viewing (i) on AGP’s website ([www.asiangrowth.com](http://www.asiangrowth.com)); (ii) on the website of S E A Holdings Limited (“SEA”) ([www.seagroup.com.hk](http://www.seagroup.com.hk)); (iii) on the website of the Securities and Futures Commission of Hong Kong ([www.sfc.hk](http://www.sfc.hk)); (iv) at the principal place of business of SEA at 26th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong; and (v) at the principal place of business of AGP at Suites 2506-10, 25th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. from the date of the Composite Document up to and including the Closing Date (as defined in the Composite Document) or the date on which the Offer lapses or is withdrawn (whichever is earlier) (except for Saturdays, Sundays and public holidays). This joint announcement does not constitute or form a part of any offer to sell, or a solicitation of any offer to purchase or otherwise acquire, securities by any US Persons or in the United States or any other jurisdiction. Neither this joint announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.*

*The contents of this joint announcement, which has been prepared by and is the sole responsibility of the Offeror and AGP, have been approved by Panmure Gordon (UK) Limited (“Panmure Gordon”) solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended). Panmure Gordon, which is regulated in the United Kingdom by the Financial Conduct Authority, is advising AGP and no one else solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended) and for no other purpose, and will not be responsible to anyone other than the Offeror or AGP for providing the protections afforded to the clients of Panmure Gordon or for providing advice in relation to the Offer or any transaction or arrangement referred to in this joint announcement.*



**NAN LUEN INTERNATIONAL LIMITED**

*(Incorporated in Bermuda with limited liability)*

**ASIAN GROWTH PROPERTIES LIMITED**

*(An Exempted Company Registered in Bermuda  
with Limited Liability with Registered No. 52097)*

**(AIM STOCK CODE: AGP)**

**JOINT ANNOUNCEMENT  
DESPATCH OF COMPOSITE DOCUMENT RELATING TO  
THE UNCONDITIONAL VOLUNTARY OFFER  
FOR ALL THE ISSUED SHARES IN ASIAN GROWTH PROPERTIES LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
BY NAN LUEN INTERNATIONAL LIMITED  
AND S E A HOLDINGS LIMITED)  
BY AMPLE CAPITAL LIMITED  
ON BEHALF OF NAN LUEN INTERNATIONAL LIMITED**

**SUMMARY — DESPATCH OF COMPOSITE DOCUMENT**

The Composite Document setting out, among other things, the letter from Ample Capital, the letter from the AGP IBC, the letter from the Independent Financial Adviser setting out its advice to the AGP IBC in respect of the Offer, detailed terms of the Offer and the procedures for acceptance, together with the Form of Acceptance, have been despatched to the Independent AGP Shareholders on 28 July 2017 in accordance with the Takeovers Code.

An expected timetable is set out below in this joint announcement.

Independent AGP Shareholders are strongly advised to read the Composite Document and the Form of Acceptance carefully, including the letter of advice from the Independent Financial Adviser to the AGP IBC in respect of the Offer, before deciding whether or not to accept the Offer.

**INTRODUCTION**

Reference is made to (i) the joint announcement of SEA and the Offeror dated 31 March 2017 in relation to, among other things, the Offer; and (ii) the announcement of AGP dated 31 March 2017 (which was announced at 7.00 a.m. (London time) on 3 April 2017 on the regulatory news service of the LSE) in relation to, among other things, the Offer.

As announced on 31 March 2017, the Offeror is making the Offer (through its agent, Ample Capital) such that qualifying AGP Shareholders are being offered the opportunity to exchange their AGP Shares, following the completion of the Distribution in Specie. As announced on 15 May 2017, completion of the Distribution in Specie took place on 15 May 2017, and the Offeror and AGP hereby jointly announce the terms of the Offer and the publication of the Composite Document, a composite offer and response document issued by the Offeror and AGP under the Takeovers Code.

Capitalised terms used in this joint announcement shall have the meaning as set out in Appendix V to this joint announcement.

## MAJOR TERMS OF THE OFFER

As disclosed in the Composite Document, Ample Capital, on behalf of the Offeror and pursuant to the Takeovers Code, is making the Offer on the following basis:

**For every 4 AGP Shares.....1 Consideration Share**  
**(being an issued**  
**SEA Share held**  
**by the Offeror)**  
**and HK\$3.0 per**  
**Consideration Share**  
**(being an amount**  
**equivalent to the SEA**  
**Special Cash Dividend)**

As at 25 July 2017, being the Latest Practicable Date, there were 886,347,812 AGP Shares in issue. Based on an exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer for the purpose of this paragraph) and 323,972,602 AGP Shares subject to the Offer, being all of the AGP Shares in issue other than the AGP Shares owned by the Offeror and SEA, and assuming that (i) all Independent AGP Shareholders validly accept the Offer; and (ii) there will be no change in the issued share capital of AGP since the Latest Practicable Date and up to the Closing Date, the maximum number of Consideration Shares which may be exchanged for AGP Shares is 80,993,150. This represents approximately 11.88% of the 681,666,726 existing issued SEA Shares as at the Latest Practicable Date. If no AGP Shares are validly accepted under the Offer, then the Offeror will continue to hold 562,340,612 AGP Shares, which is equivalent to approximately 63.44% of the total issued share capital of AGP as at the Latest Practicable Date.

The exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer for the purpose of this paragraph) was determined by the Offeror based on the Offeror's estimate of (i) the fair market value per AGP Share following the completion of the Restructuring; and (ii) the fair market value per SEA Share following the Restructuring.

Under the Offer, an Independent AGP Shareholder who accepts the Offer is entitled to receive the Cash Portion of the Offer of HK\$3.0 per Consideration Share he/she/it receives, and such amount is equivalent to the SEA Special Cash Dividend.

Further details of the Offer including, among other things, the terms and conditions of and the procedures for acceptance and settlement for the Offer are set out in the sections headed "Letter From Ample Capital", "Letter from AGP Board" and "Appendix I — Further terms of the Offer" of the Composite Document and the accompanying Form of Acceptance.

## **VALUE OF THE OFFER**

As at the date of this joint announcement, the Offeror holds 443,486,289 SEA Shares. The Offer is extended to all Independent AGP Shareholders. Based on the above-mentioned exchange ratio, a maximum of 80,993,150 Consideration Shares would be required to satisfy the consideration for the full acceptance of the Offer (excluding the Cash Portion of the Offer). Based on (i) the Cash Portion of the Offer of HK\$3.0, and (ii) the closing price on the Stock Exchange of HK\$9.30 (approximately £0.95) per Consideration Share as at the Latest Practicable Date), and assuming that there will be no change in the number of the AGP Shares in issue prior to the Closing Date, as at the Latest Practicable Date, the Offer is valued at HK\$996,215,745, which is a 25.51% premium to the value of AGP of approximately HK\$793,732,875 based on the closing price per AGP Shares as at the Latest Practicable Date of approximately £0.25 (approximately HK\$2.45) and 323,972,602 AGP Shares subject to the Offer.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

The Composite Document setting out, among other things, the letter from Ample Capital, the letter from the AGP IBC, the letter from the Independent Financial Adviser setting out its advice to the AGP IBC in respect of the Offer, detailed terms of the Offer and the procedures for acceptance, together with the Form of Acceptance, have been despatched to the Independent AGP Shareholders on 28 July 2017 in accordance with the Takeovers Code. The Composite Document has been despatched, for information only, to the AGP New Zealand Shareholders who may choose to participate in the Alternative Arrangement as detailed in the Composite Document.

An expected timetable is set out below.

Independent AGP Shareholders are strongly advised to read the Composite Document and the Form of Acceptance carefully, including the letter of advice from the Independent Financial Adviser to the AGP IBC in respect of the Offer, before deciding whether or not to accept the Offer.

Extracts from the Composite Document are set out in Appendices I to V to this joint announcement. Copies of the Composite Document and the accompanying Form of Acceptance are made available for viewing (i) on the website of AGP ([www.asiangrowth.com](http://www.asiangrowth.com)); (ii) on the website of SEA ([www.seagroup.com.hk](http://www.seagroup.com.hk)); (iii) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)); (iv) at the principal place of business of SEA at 26th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong; and (v) at the principal place of business of AGP at Suites 2506-10, 25th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. from the date of the Composite Document up to and including the Closing Date or the date on which the Offer lapses or is withdrawn (whichever is earlier) (except for Saturdays, Sundays and public holidays).

## EXPECTED TIMETABLE OF THE OFFER

Below is an indicative timetable showing the key dates of relevant events as extracted from the Composite Document:

<b>Event</b>	<b>Expected date</b> <i>(Note 1)</i> (year 2017)
Despatch date of this Composite Document and the accompanying Form of Acceptance .....	Friday, 28 July
Offer opens for acceptance .....	Friday, 28 July
Latest time and date for acceptance of the Offer on the Closing Date <i>(Notes 2 and 3)</i> .....	By 4:00 p.m. on Monday, 28 August
Closing Date <i>(Note 2)</i> .....	Monday, 28 August
Announcement of the results of the Offer, including any withdrawals of acceptances to date, to be posted on the websites of the Stock Exchange (under SEA's list of announcements), AGP, SEA and the SFC and released through the Regulatory News Service of the LSE <i>(Note 2)</i> .....	By 7:00 p.m. on Monday, 28 August
Latest date of posting SEA Share certificates and relevant cheques in respect of the Cash Portion of the Offer to the Independent AGP Shareholders accepting the Offer (and not electing for a Cooling-off Period) <i>(Note 3)</i> .....	Wednesday, 6 September
Latest possible Cooling-off Period expires <i>(Note 3)</i> .....	Monday, 11 September
Announcement of the results of the Offer, including any remaining withdrawals of acceptances, to be posted on the websites of the Stock Exchange (under SEA's list of announcements), AGP, SEA and the SFC and released through the Regulatory News Service of the LSE .....	By 7:00 p.m. on Monday, 11 September
Date of posting the AGP Share certificates (pursuant to the Distribution in Specie) for the Independent AGP Shareholders (with a registered address outside Hong Kong) who do not accept the Offer .....	Thursday, 14 September

Collection of AGP Share certificates  
(pursuant to the Distribution in Specie)  
for the Independent AGP Shareholders  
(with a registered address in Hong Kong)  
who do not accept the Offer..... Thursday, 14 September  
to Monday, 18 September

Date of posting the AGP Share certificates  
(pursuant to the Distribution in Specie)  
to the Independent AGP Shareholders  
(with a registered address in Hong Kong)  
who do not accept the Offer..... Tuesday, 19 September

Latest date of posting of SEA share certificates  
and the relevant cheques in respect of  
the Cash Portion of the Offer to the  
Independent AGP Shareholders accepting,  
and not withdrawing their acceptances of,  
the Offer (and electing for a Cooling-off Period) (*Note 3*) ..... Wednesday, 20 September

Date of posting the AGP Share certificates  
(pursuant to the Distribution in Specie)  
for the Independent AGP Shareholders  
(with a registered address outside Hong Kong)  
who have accepted the Offer and subsequently  
withdrawn their acceptance pursuant  
to the Cooling-off Period after the Offer closes ..... Tuesday, 26 September

Collection of AGP Share certificates  
(pursuant to the Distribution in Specie)  
for the Independent AGP Shareholders  
(with a registered address in Hong Kong)  
who have accepted the Offer and subsequently  
withdrawn their acceptance pursuant  
to the Cooling-off Period after the Offer closes ..... Tuesday, 26 September  
to Thursday, 28 September

Date of posting the AGP Share certificates  
(pursuant to the Distribution in Specie)  
to the Independent AGP Shareholders  
(with a registered address in Hong Kong)  
who have accepted the Offer and subsequently  
withdrawn their acceptance pursuant  
to the Cooling-off Period after the Offer closes ..... Friday, 29 September

*Notes:*

1. Dates and deadlines stated in this joint announcement for events in the timetable are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as appropriate. All times and dates refer to Hong Kong local time unless stated otherwise.
2. In accordance with the Takeovers Code, the Offer must initially be opened for acceptance for at least 21 days following the date on which the Composite Document is posted. The Offeror has voluntarily extended the Offer Period and the Offer is opened for acceptance for 31 days following the date on which the Composite Document is posted. The latest time and date for acceptance of the Offer is 4:00 p.m. on Monday, 28 August 2017 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued on the websites of the Stock Exchange (under SEA's list of announcements), AGP, SEA and released through the Regulatory News Service of the LSE by 7:00 p.m. on Monday, 28 August 2017, stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend or revise the Offer and the announcement does not specify the next closing date, at least 14 days' notice by way of an announcement will be given before the Offer is closed to those Independent AGP Shareholders who have not accepted the Offer.
3. Under the Offer, the Offeror has given each Independent AGP Shareholder a right to elect for a Cooling-off Period under which if the Independent AGP Shareholder so elects, the acceptance by the Independent AGP Shareholder will be subject to a cooling-off period of 10 Business Days following the date of receipt by the AGP Share Registrar/SEA Hong Kong Branch Share Registrar (as the case may be) of a valid acceptance of the Offer from that Independent AGP Shareholder during which the Independent AGP Shareholder can elect to withdraw his/her/its acceptance. SEA Share certificates in respect of the consideration for AGP Shares tendered under the Offer and the cheques relating to the Cash Portion of the Offer will be posted to the accepting Independent AGP Shareholder(s) by ordinary mail at his/her/its own risks as soon as possible, but in any event within (a) 17 Business Days (for Independent AGP Shareholders who elect for a Cooling-off Period), or (b) 7 Business Days (for Independent AGP Shareholders who do not elect for a Cooling-off Period), after receipt by the AGP Share Registrar or SEA Hong Kong Branch Share Registrar, as the case may be, of the duly completed Form of Acceptance and other relevant documents (if applicable).
4. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force in Hong Kong:
  - (a) at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offer and the despatch date of the certificates for the Consideration Shares and the cheques relating to the Cash Portion of the Offer due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the despatch date of the certificates for the Consideration Shares and the cheques relating to the Cash Portion of the Offer due will remain at 4:00 p.m. on the same Business Day.
  - (b) at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the despatch date of the certificates for the Consideration Shares and the cheques relating to the Cash Portion of the Offer due under the Offer in respect of valid acceptances, the latest time for acceptance of the Offer and the despatch date of the certificates for the Consideration Shares and the cheques relating to the Cash Portion of the Offer due will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

**All time and date references contained in this joint announcement refer to Hong Kong time and dates unless stated otherwise.**

## IMPORTANT

**Independent AGP Shareholders are strongly advised to read the Composite Document and the Form of Acceptance carefully, including the letter of advice from the Independent Financial Adviser to the AGP IBC in respect of the Offer, before deciding whether or not to accept the Offer.**

**This joint announcement contains inside information.**

On behalf of the board of directors of  
**Nan Luen International Limited**  
**Lu Wing Chi**  
*Director*

On behalf of the AGP Board of  
**Asian Growth Properties Limited**  
**Lincoln Lu**  
*Chief Executive Officer and Executive Director*

Hong Kong, 28 July 2017

The directors of the Offeror as at the date of this joint announcement are:

Lu Wing Chi  
Lambert Lu  
Lincoln Lu

The AGP Directors as at the date of this joint announcement are:

Richard Öther Prickett (*Non-executive Chairman and Independent Non-executive Director*)  
Lincoln Lu (*Chief Executive Officer and Executive Director*)  
Lu Wing Chi (*Executive Director*)  
David Andrew Runciman (*Executive Director*)  
Lam Sing Tai (*Non-executive Director*)  
Lambert Lu (*Non-executive Director*)  
John David Orchard Fulton (*Independent Non-executive Director*)

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to AGP) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the AGP Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*The AGP Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

**For more information, please contact:**

Lincoln Lu  
*Chief Executive Officer and Executive Director*  
**Asian Growth Properties Limited**

Tel: +852 2828 3232

Richard Gray/Andrew Potts/Atholl Tweedie  
**Panmure Gordon (UK) Limited**  
*(Nominated Adviser)*

Tel: +44 207 886 2500

**Disclaimer**

This joint announcement is an advertisement and not a prospectus and investors should not take an investment decision in relation to the Offer referred to in this joint announcement except on the basis of information in the Composite Document published by the Offeror and AGP in connection with the Offer. Copies of the Composite Document and the accompanying Form of Acceptance are made available for viewing (i) on the website of AGP ([www.asiangrowth.com](http://www.asiangrowth.com)); (ii) on the website of SEA ([www.seagroup.com.hk](http://www.seagroup.com.hk)); (iii) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)); (iv) at the principal place of business of SEA at 26th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong; and (v) at the principal place of business of AGP at Suites 2506-10, 25th Floor, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. from the date of the Composite Document up to and including the Closing Date or the date on which the Offer lapses or is withdrawn (whichever is earlier) (except for Saturdays, Sundays and public holidays). This joint announcement does not constitute or form a part of any offer to sell, or a solicitation of any offer to purchase or otherwise acquire, securities by any US Persons or in the United States or any other jurisdiction. Neither this joint announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

The merits or suitability of any securities must be independently determined by each investor on the basis of its own investigation and evaluation of AGP and/or SEA. Any such determination should involve, among other things, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of the securities.

This joint announcement may not be used in making any investment decision in relation to the Offer. This joint announcement does not contain sufficient information to support an investment decision and investors should ensure that they obtain all available relevant information before making any investment decision on the Offer. This joint announcement does not constitute and may not be construed as an offer to sell, or an invitation to purchase or otherwise acquire, investments of any description, nor as a recommendation regarding the Offer or the provision of investment advice by any party. No information in this joint announcement should be construed as providing financial, investment or other professional advice and each AGP Shareholder should consult its own legal, business, tax and other advisers in evaluating the investment opportunity. No reliance may be placed for any purposes whatsoever on this joint announcement (including, without limitation, any pro forma financial information contained herein), or its completeness.

Nothing in this joint announcement constitutes investment advice and any recommendations that may be contained herein have not been based upon a consideration of the investment objectives, financial situation or particular needs of any specific recipient.

The information and opinions contained in this joint announcement are provided as at the date of this joint announcement and are subject to change and no representation or warranty, express or implied, is or will be made in relation to the accuracy or completeness of the information contained herein and no responsibility, obligation or liability or duty (whether direct or indirect, in contract, tort or otherwise) is or will be accepted by AGP, the Offeror, SEA, Panmure Gordon or any of their affiliates or by any of their respective officers, employees or agents in relation to it.

Potential investors should be aware that any investment in AGP or SEA is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment. Results can be positively or negatively affected by market conditions beyond the control of AGP or SEA or any other person. There may be other additional risks, uncertainties and factors that could cause the returns generated by AGP or SEA to be materially lower than in prior periods.

The information contained in this joint announcement is given at the date of its publication (unless otherwise marked). No reliance may be placed for any purpose whatsoever on the information or opinions contained in this joint announcement or on its completeness, accuracy or fairness. This joint announcement has not been approved by any competent regulatory or supervisory authority.

The information in this joint announcement may include forward-looking statements, which are based on the current expectations and projections about future events and in certain cases can be identified by the use of terms such as “may”, “will”, “should”, “expect”, “anticipate”, “project”, “estimate”, “intend”, “continue”, “target”, “believe” (or the negatives thereon) or other variations thereon or comparable terminology. These forward-looking statements, as well as those included in any related materials, are subject to risks, uncertainties and assumptions about AGP or SEA, including, among other things, the development of each business, trends in operating industry, and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. Each of AGP, SEA, the Offeror, Panmure Gordon and their affiliates and their respective officers, employees and agents expressly disclaim any and all liability which may be based on this joint announcement and any errors therein or omissions therefrom. No representation or warranty is given to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any. Any views contained herein are based on financial, economic, market and other conditions prevailing as at the date of this joint announcement. The information contained in this joint announcement will not be updated. In particular, the pro forma net asset value and pro forma net asset value per share figures contained in this joint announcement should not be taken as an indication of AGP’s or SEA’s expected future performance or results. These are pro forma numbers only and there is no guarantee that they can or will be achieved. Accordingly, investors should not place any reliance on such pro forma financial information.

This joint announcement does not constitute or form part of, and should not be construed as, any offer or invitation or inducement for sale, transfer or subscription of, or any solicitation of any offer or invitation to buy or subscribe for or to underwrite, any share in AGP or SEA or to engage in investment activity (as defined by the Financial Services and Markets Act 2000) in any jurisdiction nor shall it, or any part of it, or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision whatsoever, in any jurisdiction. This joint announcement does not constitute a recommendation regarding any securities.

Neither this joint announcement nor any part or copy of it may be taken or transmitted into the United States, Australia, Canada, South Africa or Japan, or distributed directly or indirectly to US Persons (as defined below) or in the United States, Australia, Canada, South Africa or Japan. Any failure to comply with this restriction may constitute a violation of applicable law. This joint announcement does not constitute an offer of securities to the public in the United States, Australia, Canada, South Africa or Japan or in any other jurisdiction. Persons into whose possession this joint announcement comes should observe all relevant restrictions.

Panmure Gordon, which is regulated in the United Kingdom by the Financial Conduct Authority, is advising AGP and no one else solely for the purposes of section 21(2)(b) of the Financial Services and Markets Act 2000 (as amended) and for no other purpose, and will not be responsible to anyone other than the Offeror or AGP for providing the protections afforded to the clients of Panmure Gordon or for providing advice in relation to the Offer or any transaction or arrangement referred to in this joint announcement.

This joint announcement does not constitute any form of financial opinion or recommendation on the part of Panmure Gordon or any of its respective affiliates and is not intended to be an offer, or the solicitation of any offer, to buy or sell any securities. Panmure Gordon is not responsible for the contents of this joint announcement or the Composite Document. This does not exclude any responsibilities which Panmure Gordon may have under the Financial Services and Market Act 2000 or the regulatory regime established thereafter.

**APPENDIX I**  
**LETTER FROM AMPLE CAPITAL**

*The following is extracted from the section headed "Letter from Ample Capital" of the Composite Document:*

***Ample Capital Limited***

Unit A, 14th Floor  
Two Chinachem Plaza  
135 Des Voeux Road Central,  
Hong Kong

28 July 2017

*To the Independent AGP Shareholders,*

Dear Sir or Madam,

**COMPOSITE DOCUMENT RELATING TO  
THE UNCONDITIONAL VOLUNTARY OFFER  
FOR ALL THE ISSUED SHARES IN  
ASIAN GROWTH PROPERTIES LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
BY NAN LUEN INTERNATIONAL LIMITED  
AND S E A HOLDINGS LIMITED)  
BY AMPLE CAPITAL LIMITED  
ON BEHALF OF NAN LUEN INTERNATIONAL LIMITED**

**1. INTRODUCTION**

On 31 March 2017, the Offeror and SEA jointly announced that, among other things, Ample Capital would make a voluntary share exchange offer on behalf of the Offeror to acquire the AGP Shares, other than those AGP Shares already owned by the Offeror, in exchange for the Consideration Shares.

On 4 May 2017, the resolution in respect of, among other things, the Distribution in Specie was approved at the special general meeting of SEA. On 15 May 2017, completion of the SP Agreement and the Distribution in Specie took place as set out in the announcement of SEA dated 15 May 2017. Following the Distribution in Specie, AGP ceased to be a subsidiary of SEA. On 21 April 2017, the AGP Board declared the AGP Special Dividend Payment which was paid on 15 May 2017. Details of the event were set out in AGP's announcements dated 31 March 2017 and 21 April 2017.

As at the Latest Practicable Date, the Assets Redistribution, the AGP Special Dividend Payment, and the payment of the SEA Special Cash Dividend have completed.

**APPENDIX I**  
**LETTER FROM AMPLE CAPITAL**

As stated in the “Letter from AGP Board” of this Composite Document, the AGP Directors note that the Joint Announcement stated that in view of the fact that the AGP Shares are admitted to trading on AIM, and recognising that some SEA Shareholders who receive AGP Shares pursuant to the Distribution in Specie may not wish to hold AGP Shares (given that they may not wish to hold/trade AIM shares), the Offeror, as a means to provide Independent AGP Shareholders (both existing and arising as a result of the Distribution in Specie) with a liquidity option for the AGP Shares (apart from selling those AGP Shares either on-market or off-market) intended to make an unconditional voluntary share exchange offer to Independent AGP Shareholders to exchange their AGP Shares for SEA Shares held by the Offeror.

Under the original timetable in the Joint Announcement, the original Closing Date of the share exchange offer was expected to be 26 May 2017, and the payment date of the SEA Special Cash Dividend was expected to be 21 June 2017. Based on those dates, Independent AGP Shareholders accepting the share exchange offer would have acquired Consideration Shares from the Offeror together with all rights accruing or attaching thereto (including the SEA Special Cash Dividend), they would have been paid such dividend on 21 June 2017. As disclosed in the joint announcements of the Offeror and AGP dated 5 May 2017, 17 May 2017, 5 June 2017, 16 June 2017 and 7 July 2017, additional time was needed to finalise this Composite Document. Meanwhile the SEA Special Cash Dividend was paid out on 21 June 2017, in accordance with the timetable disclosed in the joint announcement of the Offeror and SEA dated 18 April 2017. To enable accepting Independent AGP Shareholders to retain the same entitlements as under the original proposed timetable, the Offeror revised the terms of the share exchange offer to include the Cash Portion of the Offer, which is an amount equivalent to the SEA Special Cash Dividend.

This letter forms part of this Composite Document which sets out, among other things, the details of the Offer. Further details of the terms and procedures of acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Independent AGP Shareholders are strongly advised to consider carefully the information contained in the “Letter from AGP Board”, “Letter from the AGP IBC” and “Letter from the Independent Financial Adviser” to this Composite Document.

Unless the context otherwise requires, terms defined in this Composite Document shall have the same meanings when used in this letter.

**APPENDIX I**  
**LETTER FROM AMPLE CAPITAL**

**2. THE OFFER**

**2.1 Consideration for the Offer**

Ample Capital is making the Offer for and on behalf of the Offeror in accordance with the provisions of the Takeovers Code to the Independent AGP Shareholders to acquire all the AGP Shares (other than those already owned by the Offeror and SEA) on the following basis:

**For every 4 AGP Shares.....1 Consideration Share**  
**(being an issued SEA Share**  
**held by the Offeror)**  
**and HK\$3.0 (being an amount equivalent**  
**to the SEA Special Cash Dividend)**

As at the Latest Practicable Date, save for the 886,347,812 AGP Shares in issue, AGP had no other outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of AGP Shares and AGP had no other relevant securities (as defined in Note 4 to the Rule 22 of the Takeovers Code).

As a result of the Distribution in Specie, all 861,278,857 AGP Shares held by SEA (other than 34,598 AGP Shares left undistributed due to fractional entitlements) were distributed to all the Qualifying SEA Shareholders (including the Offeror) in proportion to their respective shareholding in SEA on the basis of 1,268 AGP Shares for every 1,000 SEA Shares held by them. Accordingly, upon completion of the Distribution in Specie on 15 May 2017, 562,340,612 AGP Shares were held by the Offeror, 13,792,397 AGP Shares were held by Mr. Lu Wing Chi, 5,237,854 AGP Shares were held by NYH Limited, 22,390,346 AGP Shares were held by Mr. Lambert Lu, 4,092,442 AGP Shares were held by Mr. Lam Sing Tai and his spouse, 23,432,642 AGP Shares were held by Mr. Lincoln Lu, 34,598 AGP Shares were held by SEA through its wholly-owned subsidiary, 229,957,966 AGP Shares were held by SEA Shareholders who received AGP Shares due to the Distribution in Specie (other than the Offeror, Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai and his spouse, Mr. Lincoln Lu and NYH Limited), and 25,068,955 AGP Shares were held by other AGP Shareholders, representing approximately 63.44%, 1.56%, 0.59%, 2.53%, 0.46%, 2.64%, 0.004%, 25.946% and 2.83% of the total issued share capital of AGP, respectively.

Based on an exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer for the purpose of this paragraph) and 323,972,602 AGP Shares subject to the Offer, being all of the AGP Shares in issue other than the AGP Shares owned by the Offeror and SEA, and assuming that (i) all Independent AGP Shareholders validly accept the Offer; and (ii) there will be no change in the issued share capital of AGP since the Latest Practicable Date and up to the Closing Date, the maximum number of Consideration Shares which may be exchanged for AGP Shares is 80,993,150. This represents approximately 11.88% of the 681,666,726 existing issued SEA Shares as at the Latest Practicable Date. If no AGP Shares are validly accepted under the Offer, then the Offeror will continue to hold 562,340,612 AGP Shares, which is equivalent to approximately 63.44% of the total issued share capital of AGP as at the Latest Practicable Date.

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The exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer for the purpose of this paragraph) was determined by the Offeror based on the Offeror's estimate of (i) the fair market value per AGP Share following the completion of the Restructuring; and (ii) the fair market value per SEA Share following the Restructuring. The fair market values of the AGP Shares and the SEA Shares were calculated by the Offeror based on the following:

- (i) In respect of the AGP Shares, (1) the unaudited net asset value (attributable to AGP Shareholders) extracted from the unaudited pro forma consolidated statement of financial position of the AGP Remaining Group of approximately HK\$6,258 million (as set out on page IV-4 of Appendix IV to this Composite Document) (2) less the Offeror's assumption as to the potential PRC tax liabilities of approximately HK\$601 million were the AGP properties sold at their fair market values on 28 February 2017 (for the avoidance of doubt this amount is not included in AGP's financial statements as it does not meet the requirement of a deferred tax liability under International Financial Reporting Standards); (3) less the special dividend of approximately HK\$1,994 million (equivalent to HK\$2.25 per AGP Share) declared by AGP on 17 March 2017; and (4) plus the difference between the fair value of the PRC properties held by AGP as at 28 February 2017 and the carrying value of the properties held by AGP as at 31 December 2016, equating to HK\$65 million and relating to Westmin Plaza shopping arcade. For the avoidance of doubt, the revaluation of the AGP Non-PRC Assets was reflected in the consideration payable in accordance with the SP Agreement as set out on page IV-9 of Appendix IV to this Composite Document. Taking these adjustments into consideration, the pro forma net asset value per AGP Share is calculated by the Offeror as HK\$4.21. Excluding the Offeror's approximately HK\$601 million adjustment referred to in (2) above, the pro forma net asset value per AGP Share is calculated as HK\$4.88.
  
- (ii) In respect of the SEA Shares, (1) the unaudited net asset value (attributable to SEA Shareholders) extracted from the unaudited pro forma consolidated statement of financial position of the SEA Remaining Group of approximately HK\$8,253 million (as set out on page V-5 of Appendix V to this Composite Document); (2) plus the difference between the fair value of the properties held by SEA and the AGP Non-PRC Assets acquired from AGP as at 28 February 2017 and the carrying value of the properties held by SEA as at 31 December 2016, equating to HK\$2,854 million and relating to Crowne Plaza Hong Kong Causeway Bay. The Offeror considers that no tax is payable in respect of the properties of SEA if the properties were sold on 28 February 2017 at their fair market value, and as such no deferred tax liability has been included in the Offeror's calculations. Taking these adjustments into consideration, the pro forma net asset value per SEA Share is calculated as HK\$16.37. SEA declared the SEA Special Cash Dividend, which was paid to SEA Shareholders on

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21 June 2017 which would reduce the pro forma net asset value per SEA Share to HK\$13.37. For the avoidance of doubt, when the Offeror determined the exchange ratio above, the SEA Special Cash Dividend had not yet been declared by SEA, and therefore was not included in the Offeror's calculations. Please also refer to page 12 of this Composite Document for background details of the relationship between the SEA Special Cash Dividend and the Cash Portion of the Offer.

According to the board of directors of the Offeror, the exchange ratio is not based on the historical market price per share of either AGP Shares or SEA Shares as their respective market prices per share reflect the pre-Restructuring underlying fair market values of those shares, not the post-Restructuring underlying fair market values.

## **2.2 Value of the Offer**

As at the Latest Practicable Date, the Offeror holds 443,486,289 SEA Shares. The Offer is extended to all Independent AGP Shareholders. Based on the above-mentioned exchange ratio, a maximum of 80,993,150 Consideration Shares would be required to satisfy the consideration for the full acceptance of the Offer (excluding the Cash Portion of the Offer). Based on (i) the Cash Portion of the Offer of HK\$3.0, and (ii) the closing price on the Stock Exchange of HK\$9.30 (approximately £0.95) per Consideration Share as at the Latest Practicable Date), and assuming that there will be no change in the number of the AGP Shares in issue prior to the Closing Date, as at the Latest Practicable Date, the Offer is valued at HK\$996,215,745, which is a 25.51% premium to the value of AGP of approximately HK\$793,732,875 based on the closing price per AGP Share as at the Latest Practicable Date of approximately £0.25 (approximately HK\$2.45) and 323,972,602 AGP Shares subject to the Offer.

## **2.3 Comparison of value**

As set out above, the exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer) was determined based on the fair market value per AGP Share and/or SEA Share following the Restructuring. The historical share prices of AGP and SEA prior to 17 March 2017 have not taken into account the various cash dividends announced by AGP and SEA since 17 March 2017.

However, for the purposes of illustration, set out below are four comparisons of value based on two different ascribed values per AGP Share and per Consideration Share, which respectively (i) do not take into account, and (ii) take into account, the Cash Portion of the Offer.

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***Comparison of value of AGP Shares not taking into account the Cash Portion of the Offer***

The ascribed value of HK\$4.41 (approximately £0.45) per AGP Share (equivalent to the closing price of each SEA Share of HK\$17.64 as quoted on the Stock Exchange on the Last SEA Trading Day divided by 4 for each AGP Share) represents:

- (i) a discount of approximately 28.9% to the closing price of AGP Shares of £0.635 (approximately HK\$6.2), as quoted on AIM on 30 March 2017, being the Last AGP Trading Day;
- (ii) a discount of approximately 42.7% to the average closing price of approximately £0.79 (approximately HK\$7.7) per AGP Share as quoted on AIM for the five consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (iii) a discount of approximately 38.8% to the average closing price of approximately £0.74 (approximately HK\$7.2) per AGP Share as quoted on AIM for the 10 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (iv) a discount of approximately 24.0% to the average closing price of approximately £0.59 (approximately HK\$5.8) per AGP Share as quoted on AIM for the 20 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (v) a discount of approximately 15.2% to the average closing price of approximately £0.53 (approximately HK\$5.2) per AGP Share as quoted on AIM for the 30 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (vi) a premium of approximately 80.7% over the closing price of approximately £0.25 (approximately HK\$2.44) per AGP Share as quoted on AIM on the Latest Practicable Date;
- (vii) a discount of approximately 69.4% to the audited consolidated net assets per AGP Share attributable to the AGP Shareholders of approximately £1.48 (approximately HK\$14.43) as at 31 December 2016 (being the date to which the latest audited consolidated annual results of AGP were made up), calculated based on AGP's audited consolidated net assets attributable to the AGP Shareholders of approximately £1,310,952,000 (approximately HK\$12,789,513,000) as at 31 December 2016 and 886,347,812 existing AGP Shares in issue as at the Latest Practicable Date; and

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- (viii) a discount of approximately 36.7% to the unaudited pro forma consolidated net assets per AGP Share attributable to the AGP Shareholders of approximately HK\$6.97 as at 31 December 2016 (being the date to which the latest unaudited pro forma consolidated results of the AGP Remaining Group were made up), calculated based on AGP's unaudited pro forma consolidated net assets attributable to the AGP Shareholders of approximately HK\$6,173,880,000 as at 31 December 2016 and 886,347,812 existing AGP Shares in issue as at the Latest Practicable Date.

***Comparison of value of AGP Shares taking into account the Cash Portion of the Offer***

The ascribed value of HK\$5.16 (approximately £0.53) per AGP Share (equivalent to the closing price of each SEA Share of HK\$17.64 as quoted on the Stock Exchange on the Last SEA Trading Day, plus the Cash Portion of the Offer of HK\$3.0 per Consideration Share, and divided by 4 for each AGP Share) represents:

- (i) a discount of approximately 16.8% to the closing price of AGP Shares of £0.635 (approximately HK\$6.2), as quoted on AIM on 30 March 2017, being the Last AGP Trading Day;
- (ii) a discount of approximately 33.0% to the average closing price of approximately £0.79 (approximately HK\$7.7) per AGP Share as quoted on AIM for the five consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (iii) a discount of approximately 28.3% to the average closing price of approximately £0.74 (approximately HK\$7.2) per AGP Share as quoted on AIM for the 10 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (iv) a discount of approximately 11.0% to the average closing price of approximately £0.59 (approximately HK\$5.8) per AGP Share as quoted on AIM for the 20 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (v) a discount of approximately 0.8% to the average closing price of approximately £0.53 (approximately HK\$5.2) per AGP Share as quoted on AIM for the 30 consecutive trading days immediately prior to and including the Last AGP Trading Day;
- (vi) a premium of approximately 111.5% over the closing price of approximately £0.25 (approximately HK\$2.44) per AGP Share as quoted on AIM on the Latest Practicable Date;

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- (vii) a discount of approximately 64.2% to the audited consolidated net assets per AGP Share attributable to the AGP Shareholders of approximately £1.48 (approximately HK\$14.43) as at 31 December 2016 (being the date to which the latest audited consolidated annual results of AGP were made up), calculated based on AGP's audited consolidated net assets attributable to the AGP Shareholders of approximately £1,310,952,000 (approximately HK\$12,789,513,000) as at 31 December 2016, as set out in Appendix II to this Composite Document, and 886,347,812 existing AGP Shares in issue as at the Latest Practicable Date; and
- (viii) a discount of approximately 26.9% to the unaudited pro forma consolidated net assets per AGP Share attributable to the AGP Shareholders of approximately HK\$7.06 as at 31 December 2016 (being the date to which the latest unaudited pro forma consolidated results of the AGP Remaining Group were made up), calculated based on AGP's unaudited pro forma consolidated net assets attributable to the AGP Shareholders of approximately HK\$6,257,798,000 as at 31 December 2016 (taking into account the Restructuring), as set out in Appendix IV to this Composite Document, and 886,347,812 existing AGP Shares in issue as at the Latest Practicable Date.

***Comparison of value of Consideration Shares not taking into account the Cash Portion of the Offer***

For the purposes of illustration, the ascribed value of HK\$24.8 (approximately £2.54) per Consideration Share (equivalent to the closing price of each AGP Share of £0.635 (approximately HK\$6.2) as quoted on AIM on the Last AGP Trading Day multiplied by 4 for each Consideration Share) represents:

- (i) a premium of approximately 40.6% over the closing price of SEA Shares of HK\$17.64, as quoted on the Stock Exchange on 29 March 2017, being the Last SEA Trading Day;
- (ii) a premium of approximately 40.0% over the average closing price of approximately HK\$17.71 per SEA Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last SEA Trading Day;
- (iii) a premium of approximately 41.2% over the average closing price of approximately HK\$17.56 per SEA Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last SEA Trading Day;

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- (iv) a premium of approximately 44.4% over the average closing price of approximately HK\$17.17 per SEA Share as quoted on the Stock Exchange for the 20 consecutive trading days immediately prior to and including the Last SEA Trading Day;
- (v) a premium of approximately 43.4% over the average closing price of approximately HK\$17.30 per SEA Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last SEA Trading Day;
- (vi) a premium of approximately 166.7% over the closing price of approximately HK\$9.30 per SEA Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vii) a premium of approximately 40.3% over the audited consolidated net assets per SEA Share attributable to SEA Shareholders of approximately HK\$17.68 as at 31 December 2016 (being the date to which the latest audited consolidated annual results of SEA were made up), calculated based on SEA's audited consolidated net assets attributable to SEA Shareholders of approximately HK\$12,050,977,000 as at 31 December 2016 and 681,666,726 existing SEA Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately 104.8% over the unaudited pro forma consolidated net assets per SEA Share attributable to SEA Shareholders of approximately HK\$12.11 as at 31 December 2016 (being the date to which the latest unaudited pro forma consolidated results of the SEA Remaining Group were made up), calculated based on SEA's unaudited pro forma consolidated net assets attributable to SEA Shareholders of approximately HK\$8,256,834,000 as at 31 December 2016 and 681,666,726 existing SEA Shares in issue as at the Latest Practicable Date.

***Comparison of value of Consideration Shares taking into account the Cash Portion of the Offer***

The ascribed value of HK\$21.8 (approximately £2.23) per Consideration Share, which is equal to (a) the ascribed value of HK\$24.8 (approximately £2.54) per Consideration Share (equivalent to the closing price of each AGP Share of £0.635 (approximately HK\$6.2) as quoted on AIM on the Last AGP Trading Day multiplied by 4 for each Consideration Share) minus (b) the Cash Portion of the Offer of HK\$3.0 per Consideration Share, represents:

- (i) a premium of approximately 23.6% over the closing price of SEA Shares of HK\$17.64, as quoted on the Stock Exchange on 29 March 2017, being the Last SEA Trading Day;

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- (ii) a premium of approximately 23.1% over the average closing price of approximately HK\$17.71 per SEA Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last SEA Trading Day;
- (iii) a premium of approximately 24.1% over the average closing price of approximately HK\$17.56 per SEA Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last SEA Trading Day;
- (iv) a premium of approximately 27.0% over the average closing price of approximately HK\$17.17 per SEA Share as quoted on the Stock Exchange for the 20 consecutive trading days immediately prior to and including the Last SEA Trading Day;
- (v) a premium of approximately 26.0% over the average closing price of approximately HK\$17.30 per SEA Share as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last SEA Trading Day;
- (vi) a premium of approximately 134.4% over the closing price of approximately HK\$9.30 per SEA Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vii) a premium of approximately 23.3% over the audited consolidated net assets per SEA Share attributable to SEA Shareholders of approximately HK\$17.68 as at 31 December 2016 (being the date to which the latest audited consolidated annual results of SEA were made up), calculated based on SEA's audited consolidated net assets attributable to SEA Shareholders of approximately HK\$12,050,977,000 as at 31 December 2016 and 681,666,726 existing SEA Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately 80.0% over the unaudited pro forma consolidated net assets per SEA Share attributable to SEA Shareholders of approximately HK\$12.11 as at 31 December 2016 (being the date to which the latest unaudited pro forma consolidated results of the SEA Remaining Group were made up), calculated based on SEA's unaudited pro forma consolidated net assets attributable to SEA Shareholders of approximately HK\$8,253,160,000 as at 31 December 2016 and 681,666,726 existing SEA Shares in issue as at the Latest Practicable Date.

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**2.4 Highest and lowest price of AGP Shares**

During the Relevant Period, the highest closing price of the AGP Shares as quoted on AIM was £1.345 (approximately HK\$13.1) on 19 April 2017, 20 April 2017, 21 April 2017 and 26 April 2017, and the lowest closing price of the AGP Shares as quoted on AIM was £0.23 (approximately HK\$2.24) on 19 June 2017. AGP has declared a special cash dividend of HK\$2.25 per common share of AGP on 17 March 2017 and AGP Special Dividend Payment on 31 March 2017.

**2.5 Sufficient financial resources**

The Offer involves a securities exchange for Consideration Shares and the Cash Portion of the Offer. Ample Capital is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration in respect of the Offer which would fall to be satisfied upon full acceptance of the Offer.

**2.6 Effects of accepting the Offer**

By accepting the Offer, the relevant Independent AGP Shareholders will (i) sell their respective AGP Shares to the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date, (ii) acquire Consideration Shares from the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date, and (iii) be entitled to the Cash Portion of the Offer, being an amount equivalent to the SEA Special Cash Dividend.

Under the terms of the Offer, acceptance of the Offer is irrevocable and once given cannot be withdrawn except in the circumstances set out in the paragraphs headed “Announcement” and “Right of withdrawal” (the latter of which relates to the Cooling-off Period) in Appendix I to this Composite Document. If the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “Announcement” in Appendix I to the Composite Document, pursuant to Rule 19.2 of the Takeovers Code, the Executive may require that the Independent AGP Shareholders accepting the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements under Rule 19 of the Takeovers Code can be met.

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The Offer is an unconditional voluntary securities exchange and cash offer and is not subject to a prescribed level of valid acceptance being received in respect of the Offer. For the avoidance of doubt, AGP is not subject to the UK Takeovers Code.

**2.7 Irrevocable undertakings to accept the Offer**

The Offeror has received irrevocable undertakings from the following Independent AGP Shareholders to accept the Offer in respect of all the AGP Shares they directly or indirectly hold:

Independent AGP Shareholder (Note 1)	Number of SEA Shares held	Approximate percentage of the issued share capital of SEA (Note 2)	Number of AGP Shares held	Approximate percentage of the issued share capital of AGP (Note 3)
Mr. Lu Wing Chi	17,238,085 (Note 4)	2.53%	19,030,251 (Note 5)	2.15%
Mr. Lambert Lu	17,658,002	2.59%	22,390,346	2.53%
Mr. Lam Sing Tai and his spouse	3,227,478	0.47%	4,092,442	0.46%
Mr. Lincoln Lu	18,480,002	2.71%	23,432,642	2.64%
Mr. Walujo Santoso, Wally	1,200,000	0.18%	1,521,600	0.17%
Mr. Leung Hok Lim	1,856,928	0.27%	2,354,584	0.27%
Mr. Chung Pui Lam	656,928	0.10%	551,488	0.06%
Mr. David Andrew Runciman	—	—	520,000	0.06%

*Notes:*

1. Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai, Mr. Lincoln Lu and Mr. David Andrew Runciman are directors of AGP. Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai, Mr. Lincoln Lu, Mr. Walujo Santoso, Wally, Mr. Leung Hok Lim and Mr. Chung Pui Lam are directors of SEA. NYH Limited is wholly owned by Mr. Lu Wing Chi.
2. The total number of issued SEA Shares as at the Latest Practicable Date was 681,666,726.
3. The total number of issued AGP Shares as at the Latest Practicable Date was 886,347,812.
4. Among these SEA Shares, 13,107,285 were held by Mr. Lu Wing Chi and 4,130,800 were held by NYH Limited.
5. Among these AGP Shares, 13,792,397 were held by Mr. Lu Wing Chi and 5,237,854 were held by NYH Limited.

Pursuant to the irrevocable undertakings set out above, the above Independent AGP Shareholders will accept the Offer in accordance with the terms and conditions set out in this Composite Document. The said irrevocable undertakings are not subject to any other condition.

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**3. OTHER TERMS OF THE OFFER**

**3.1 Stamp duty**

Given that AGP is a company incorporated in the BVI and redomiciled to Bermuda where its register of members is located and maintained, no Hong Kong stamp duty is payable on any transfer of the AGP Shares.

Given that the AGP Shares are (i) admitted to trading on AIM (being a recognised growth market) and (ii) not officially listed on AIM or any other market or exchange, neither United Kingdom stamp duty nor United Kingdom stamp duty reserve tax would be chargeable on (a) a transfer of or agreement to transfer the AGP Shares; or (b) a transfer of or agreement to transfer validly constituted CREST depository interests representing the AGP Shares.

**The tax treatment mentioned above may be different for each AGP Shareholder and the liability to tax depends on the individual circumstances of each AGP Shareholder, and may be subject to change in the future. If you are in any doubt as to your taxation position, you should consult an appropriate independent professional adviser immediately.**

Sellers' and buyers' ad valorem stamp duty for the SEA Shares arising in connection with the acceptances of the Offer, amounting to HK\$1.00 for every HK\$1,000 or part thereof will be borne by the Offeror.

**3.2 AGP Shares**

Acceptance of the Offer by any person will be deemed to constitute a warranty by such person to the Offeror, AGP and Ample Capital that the AGP Shares sold by such person under the Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date and such person would acquire Consideration Shares from the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date.

For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited will give, or be subject to, any of the above representations and warranties.

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**3.3 AGP Overseas Shareholders**

The Offer is in respect of securities of a company registered in Bermuda and will be subject to the procedures and disclosure requirements under the relevant Hong Kong laws and regulations, which may be different from other jurisdictions. The making of the Offer or the acceptance thereof by persons not being residents in Hong Kong or citizens or nationals of jurisdictions outside Hong Kong or with registered addresses in jurisdictions outside Hong Kong may be affected by the laws of the relevant jurisdictions. Independent AGP Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions and where necessary seek independent professional advice.

As at the Latest Practicable Date, AGP had overseas shareholders with his/her/its registered address in Australia, Bermuda, Switzerland, Guernsey, Spain, the Netherlands, the BVI, New Zealand and the United Kingdom.

**AGP Shareholders with registered addresses in the United Kingdom**

The Offer would constitute a financial promotion under the Financial Services and Markets Act 2000. This Composite Document has been approved as a financial promotion for the purpose of Section 21 of the Financial Services and Markets Act 2000 by Panmure Gordon (UK) Limited, which is authorised and regulated by the UK Financial Conduct Authority (FRN: 403721).

The price of AGP Shares and SEA Shares may go down as well as up and as such, are an investment which may result in you not being able to realise the full amount of capital you invested.

**AGP Shareholders with registered addresses in New Zealand**

The Offeror has sought legal advice from New Zealand legal advisers. Based on the legal opinion provided by New Zealand legal advisers, the extension of the Offer to the AGP New Zealand Shareholders would constitute an offer of financial products for sale in New Zealand regulated by the Financial Markets Conduct Act 2013. This would require the Offeror to prepare a full prospectus-style offer document which would be reviewed by New Zealand regulatory authorities, and which would incur significant legal and accounting costs. The preparation of that document and the associated review process would take significant time. The directors of the Offeror believe that it would be unduly burdensome for the Offeror to comply with the relevant regulatory requirements in New Zealand if the Offer was extended to the AGP New Zealand Shareholders. As such, the Composite Document will be despatched to the AGP New Zealand Shareholders for information only. The Offeror has applied for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code and the Executive has consented to the exclusion of the AGP New Zealand Shareholders from receiving the Offer, subject to such AGP New Zealand Shareholders being provided the Alternative Arrangement. As such, no offer of financial products is being made to the AGP New Zealand Shareholders in any respect whatsoever. However, the AGP New Zealand Shareholders may choose to participate in the Alternative Arrangement detailed below.

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***Alternative Arrangement for AGP New Zealand Shareholders***

In order to give AGP New Zealand Shareholders another alternative to monetising their AGP Shares, apart from selling such AGP Shares on the market, an alternative arrangement programme has been established for the AGP New Zealand Shareholders. Further details of the Alternative Arrangement are set out in section headed “Alternative Arrangement for AGP New Zealand Shareholders” of Appendix I to this Composite Document.

**AGP Shareholders with registered addresses in the Netherlands**

In relation to the Netherlands, the Offer is made to one or more persons residing in the Netherlands (as the case may be) pursuant to an exemption from prospectus requirements under the Prospectus Directive (and more specifically the exemption mentioned under Article 4.1(b) of the Prospectus Directive concerning exchange offers) and this Composite Document has not been approved by a competent authority within the meaning of the Prospectus Directive. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended), and includes any relevant implementing measures in the Netherlands.

**AGP Shareholders with registered addresses in Australia, Bermuda, the BVI, Guernsey, Spain and Switzerland and any other overseas jurisdiction**

It is the responsibility of any such persons who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by the accepting Independent AGP Shareholders in respect of such jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Offeror that the local laws and requirements have been fully complied with and paid any issue, transfer or other taxes or other required payments due from him in connection with such acceptance in any territory and that such acceptance shall be valid and binding in accordance with all applicable laws and regulations. Independent AGP Shareholders should consult their professional advisers if in doubt. For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited will give, or be subject to, any of the above representations and warranties.

**3.4 Closing Date of the Offer**

Unless the Offer has previously been extended or revised, the Offer will close on Monday, 28 August 2017 (being the Closing Date). The latest time for acceptance of the Offer will be at 4:00 p.m. on the Closing Date (Hong Kong time).

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**3.5 Settlement**

Provided that a valid Form of Acceptance, which is complete in every detail and in good order in all respects, together with relevant document(s) has/have been received by the AGP Share Registrar or the SEA Hong Kong Branch Share Registrar, as the case may be, by no later than 4:00 p.m. Hong Kong time (9:00 a.m. UK time) on the Closing Date, certificate(s) for the Consideration Shares in respect of the AGP Shares tendered by you for acceptance under the Offer and the cheques relating to the Cash Portion of the Offer will be despatched to you by ordinary post at your own risk as soon as possible but in any event within (a) 17 Business Days (for Independent AGP Shareholders who elect for a Cooling-off Period), or (b) 7 Business Days (for Independent AGP Shareholders who do not elect for a Cooling-off Period), after receipt by the AGP Share Registrar or the SEA Hong Kong Branch Share Registrar, as the case may be, of the duly completed Form of Acceptance and other relevant documents (if applicable).

Settlement of the consideration to which any Independent AGP Shareholder is entitled under the Offer (which excludes any AGP New Zealand Shareholder) will be implemented in full in accordance with the terms of the Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent AGP Shareholder.

By accepting the Offer, the relevant Independent AGP Shareholders will (i) sell their respective AGP Shares to the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date, (ii) acquire Consideration Shares from the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date, and (iii) be entitled to the Cash Portion of the Offer, being an amount equivalent to the SEA Special Cash Dividend.

For those Independent AGP Shareholders (with his/her/its registered address in Hong Kong) who received AGP Shares from the Distribution in Specie and do not accept the Offer, the AGP Share certificate(s) will be available for collection in person for a period of three (3) Business Days at Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from Thursday, 14 September 2017 to Monday, 18 September 2017 (both dates inclusive). If such Independent AGP Shareholders do not collect their AGP Share certificate(s) personally within the time specified for collection, their AGP Share certificate(s) will be sent to their registered address on Tuesday, 19 September 2017, by ordinary post at their own risk.

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For those Independent AGP Shareholders (with his/her/its registered address outside of Hong Kong) who received AGP Shares from the Distribution in Specie and do not accept the Offer, the AGP Share Registrar will despatch the AGP Share certificate(s) by Thursday, 14 September 2017.

For those Independent AGP Shareholders (with his/her/its registered address in Hong Kong) who received AGP Shares from the Distribution in Specie and have accepted the Offer and subsequently withdrawn their acceptance pursuant to the Cooling-off Period after the Offer closes, the AGP Share certificate(s) will be available for collection in person for a period of three (3) Business Days at Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong from Tuesday, 26 September 2017 to Thursday, 28 September 2017 (both dates inclusive). If such Independent AGP Shareholders do not collect their AGP Share certificate(s) personally within the time specified for collection, their AGP Share certificate(s) will be sent to their registered address on Friday, 29 September 2017, by ordinary post at their own risk.

For those Independent AGP Shareholders (with his/her/its registered address outside of Hong Kong) who received AGP Shares from the Distribution in Specie and have accepted the Offer and subsequently withdrawn their acceptance pursuant to the Cooling-off Period after the Offer closes, the AGP Share Registrar will despatch the AGP Share certificate(s) by Tuesday, 26 September 2017. In other words, the relevant Independent AGP Shareholders will technically not be able to provide their AGP Shares to the AGP Share Registrar or the Transfer Agent for dematerialisation into depositary interests to trade them before they receive the AGP Share certificate(s).

### **3.6 Odd lots**

Independent AGP Shareholders should be aware that SEA Shares are traded in board lots of 2,000 shares. As such, acceptance of the Offer may result in their holding of odd lots of the SEA Shares. Accordingly, the Offeror has appointed DBS Vickers (Hong Kong) Limited as the designated broker to match sales and purchases of odd lot holdings of the SEA Shares, on a best effort basis, in the market for a reasonable time period following the completion of the Offer to enable such Independent AGP Shareholders to dispose of their odd lots or to top up their odd lots to whole board lots. The proceeds of sale (net of expenses and taxes) will be paid to the Independent AGP Shareholders concerned according to their respective attributable entitlements thereto.

**Holder(s) of SEA Share(s) received under the Offer should note that the successful matching of odd lots of SEA Share(s) and the provision of liquidity referred to above is not guaranteed. SEA Shareholders are advised to consult their own professional advisers if they are in doubt about any of these arrangements.**

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**3.7 Fractional entitlements**

As disclosed in the Circular, any fractional entitlements to AGP Shares and any AGP Shares left undistributed due to fractional entitlements of Qualifying SEA Shareholders pursuant to the Distribution in Specie will be sold in the market as far as practicable and the net proceeds of such sale will be retained for the benefit of SEA.

Any fractional entitlement to the Consideration Shares will be rounded down to the nearest whole number of Consideration Share and be transferred to the accepting Independent AGP Shareholders under the Offer. The full terms and conditions of the Offer is set out in Appendix I to this Composite Document.

**4. INFORMATION ON AGP**

AGP is an investment holding company incorporated in the BVI with limited liability on 17 February 2004 and redomiciled to Bermuda on 5 December 2016. Prior to the Distribution in Specie, AGP was a 97.17%-owned subsidiary of SEA. AGP ceased to be a subsidiary of SEA immediately after the Distribution in Specie (although SEA continues to hold 34,598 AGP Shares which were left undistributed due to fractional entitlements of Qualifying SEA Shareholders).

After Completion of the Asset Redistribution and the Distribution in Specie, the AGP Group is principally engaged in property development and investment in the PRC.

The financial information of the AGP Group for the three years ended 31 December 2014, 2015 and 2016 is set out in Appendix II to this Composite Document. The unaudited pro forma financial information of the AGP Group which illustrates the effect of the Assets Redistribution and the AGP Special Dividend Payment is set out in Appendix IV to this Composite Document.

**5. INFORMATION OF THE OFFEROR AND SEA**

The Offeror was incorporated in Bermuda as an exempted company with limited liability on 30 June 1989 and is an investment holding company. As at the Latest Practicable Date, the Offeror (i) was a controlling shareholder of SEA and held 443,486,289 SEA Shares, representing approximately 65.06% of the issued SEA Shares; and (ii) was interested in 562,340,612 AGP Shares, representing approximately 63.44% of the issued AGP Shares. The registered office of the Offeror is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

SEA is an investment holding company incorporated in Bermuda on 25 April 1989 and is a company listed on the main board of the Stock Exchange. The principal business activities of SEA and its subsidiaries are investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, Australia and the United Kingdom.

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**6. INTENTION OF THE OFFEROR IN RELATION TO THE AGP GROUP**

In order to ensure that the strategic leaderships of AGP and SEA are segregated, AGP and SEA are now led by different persons following the completion of the Assets Redistribution. In particular:

- AGP's chief executive officer is Mr. Lincoln Lu;
- SEA's chief executive is Mr. Lambert Lu; and
- With effect from 15 May 2017, Mr. Lincoln Lu has relinquished his executive role in SEA and Mr. Lambert Lu has relinquished his executive role in AGP.

Save as disclosed above, as at the Latest Practicable Date, the Offeror had no intention to change the composition of the AGP Board, and the Offeror had not proposed or nominated any new director to the AGP Board. Further announcement(s) will be made upon any changes to the composition of the AGP Board if and when necessary.

Mr. Lambert Lu and Mr. Lincoln Lu are brothers. Both of them are sons of Mr. Lu Wing Chi. As at the Latest Practicable Date, the Offeror is held as to approximately 63.58% by JCS Limited, 30.00% by Mr. Lu Wing Chi, 3.21% by Mr. Lambert Lu and 3.21% by Mr. Lincoln Lu. JCS Limited is in turn owned by Mr. Lu Wing Chi, Mr. Lambert Lu and Mr. Lincoln Lu (each a director of SEA and AGP) as to approximately 49.00%, 25.50% and 25.50%, respectively. Mr. Lu Wing Chi, Mr. Lambert Lu and Mr. Lincoln Lu are directors of SEA, AGP, JCS Limited and the Offeror.

As disclosed in the "Letter from AGP Board" in this Composite Document, following the completion of the Restructuring, the AGP Group focuses on the business in the PRC, while the SEA Group continues to focus on the non-PRC business. It should be noted however that, while it is the AGP Board's current intention to focus on operations in the PRC, and its property assets following the Restructuring are located solely in the PRC, the AGP Board does not believe that AGP should be restricted in its sphere of activities. Hence, the AGP Board has not committed to limit its sphere of activities solely to the PRC or to property related development and investments. The strategy of AGP will be determined by the AGP Board itself taking into consideration market opportunities, AGP's financial resources and its core competencies. As at the Latest Practicable Date, the Offeror (i) had no definitive plans in relation to the business of the AGP Group other than continuing its existing principal businesses, (ii) had no plan to terminate the employment of the employees or to redeploy assets of the AGP Group other than those in its ordinary and usual course of business, and had no present intention to voluntarily seek to delist AGP from AIM without making a separate offer.

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**LETTER FROM AMPLE CAPITAL**

**7. SHAREHOLDING STRUCTURE OF AGP**

As at the Latest Practicable Date, AGP had 886,347,812 AGP Shares in issue. There were no other classes of securities of the AGP in issue other than the said AGP Shares, and there were no outstanding options, derivatives, warrants or other securities in issue convertible or exchangeable into the AGP Shares as at the Latest Practicable Date.

Assuming that all the Independent AGP Shareholders accept the Offer and that there is no change in the issued share capital of AGP from the Latest Practicable Date up to the Closing Date, the shareholding structure of AGP as at the Latest Practicable Date and immediately after the completion of the Offer, would be as follows:

	<b>As at the Latest Practicable Date</b>		<b>Immediately after completion of the Offer assuming all Independent AGP Shareholders accept the Offer</b>	
	<i>Number of AGP Shares (Note 1)</i>	<i>Approximate percentage of the issued share capital of AGP (Note 2)</i>	<i>Number of AGP Shares</i>	<i>Approximate percentage of the issued share capital of AGP (Note 2)</i>
Offeror	562,340,612	63.44%	886,313,214	99.996%
Mr. Lu Wing Chi	13,792,397	1.56%	—	—
NYH Limited (Note 3)	5,237,854	0.59%	—	—
Mr. Lambert Lu	22,390,346	2.53%	—	—
Mr. Lam Sing Tai and his spouse	4,092,442	0.46%	—	—
Mr. Lincoln Lu	23,432,642	2.64%	—	—
SEA (Note 4)	34,598	0.004%	34,598	0.004%
SEA Shareholders who acquired AGP Shares pursuant to the Distribution in Specie (other than the Offeror, Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai and his spouse, Mr. Lincoln Lu and NYH Limited)	229,957,966	25.946	—	—
Other AGP Shareholders (Note 5)	25,068,955	2.83%	—	—
<b>Total</b>	<b><u>886,347,812</u></b>	<b><u>100.00%</u></b>	<b><u>886,347,812</u></b>	<b><u>100.00%</u></b>

**APPENDIX I**  
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*Notes:*

1. The above shareholdings were based on the register of members of AGP as at the Latest Practicable Date.
2. The total number of issued AGP Shares as at the Latest Practicable Date was 886,347,812.
3. Given that the Distribution in Specie was made on the basis of 1,268 AGP Shares for every 1,000 SEA Shares held by the Qualifying SEA Shareholders, if any calculation of a Qualifying SEA Shareholder's entitlement to AGP Shares would result in a fraction of an AGP Share, such entitlement will be rounded down to the nearest whole number of AGP Shares. As at the Latest Practicable Date, there were 34,598 AGP Shares left undistributed due to fractional entitlements of the Qualifying SEA Shareholders. Fractional entitlements to AGP Shares and any AGP Shares left undistributed under the Distribution in Specie will be sold in the market as soon as practicable after completion of the Offer and the net proceeds of such sale will be retained for the benefit of SEA. These AGP Shares are currently held by SEA's wholly-owned subsidiary.
4. NYH Limited is a limited liability company wholly-owned by Mr. Lu Wing Chi, the executive director of both SEA and AGP.
5. As at the Latest Practicable Date, the total number of AGP Shares held by the AGP New Zealand Shareholders was 4,869,554. The AGP New Zealand Shareholders may choose to accept or reject the Alternative Arrangement under which the NZ Alternative Arrangement Offeror will dispose of the SEA Shares in the open market and deliver the proceeds to the AGP New Zealand Shareholders who accept the Alternative Arrangement as consideration for the purchase of their AGP Shares.

## **8. SHAREHOLDING STRUCTURE OF THE OFFEROR**

As at the Latest Practicable Date, the Offeror was held as to approximately 63.58% by JCS Limited, 30.00% by Mr. Lu Wing Chi, 3.21% by Mr. Lambert Lu and 3.21% by Mr. Lincoln Lu. JCS Limited was in turn owned by Mr. Lu Wing Chi, Mr. Lambert Lu and Mr. Lincoln Lu, as to approximately 49.00%, 25.50% and 25.50%, respectively. Mr. Lu Wing Chi, Mr. Lambert Lu and Mr. Lincoln Lu were directors of SEA, AGP, JCS Limited and the Offeror.

## **9. FINANCIAL AND TRADING PROSPECTS OF SEA**

As disclosed in the section headed "Information of the Offeror and SEA" contained in this letter above, after completion of the Assets Redistribution and the Distribution in Specie, the principal business activities of SEA and its subsidiaries are investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, Australia and the United Kingdom.

As disclosed in the annual reports of SEA for the years ended 31 December 2015 and 2016, SEA strives to gain market share, improve the hotel operation's efficiency and at the same time look for cost saving measures, so as to maintain the return of the operations, and SEA is closely monitoring the evolving market developments and has equipped itself to face the various challenges ahead by adopting a prudent and effective policy in managing risks. According to the SEA Board, SEA will remain cautiously proactive and continue to monitor the property markets of Hong Kong and overseas countries closely in order to identify potential acquisition targets at opportune times.

**APPENDIX I**  
**LETTER FROM AMPLE CAPITAL**

**10. ADDITIONAL INFORMATION**

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

Yours faithfully,  
For and on behalf of  
**Ample Capital Limited**  
**H. W. Tang**  
*President*

Yours faithfully,  
For and on behalf of  
**Ample Capital Limited**  
**Jackson Wong**  
*Senior Vice President*

**APPENDIX II**  
**LETTER FROM AGP BOARD**

*The following is extracted from the section headed "Letter from AGP Board" of the Composite Document:*



**ASIAN GROWTH PROPERTIES LIMITED**

*(Registered in Bermuda with limited liability)*  
**(Stock Code: AGP)**

*AGP Directors:*

Richard Öther Prickett (*Non-executive Chairman  
and Independent Non-executive Director*)

Lincoln Lu (*Chief Executive Officer and  
Executive Director*)

Lu Wing Chi (*Executive Director*)

David Andrew Runciman (*Executive Director*)

Lam Sing Tai (*Non-executive Director*)

Lambert Lu (*Non-executive Director*)

John David Orchard Fulton  
(*Independent Non-executive Director*)

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business:*

Suites 2506-10, 25th Floor  
Everbright Centre  
108 Gloucester Road  
Wanchai, Hong Kong

28 July 2017

*To the Independent AGP Shareholders,*

Dear Sir or Madam,

**UNCONDITIONAL VOLUNTARY OFFER  
FOR ALL THE ISSUED SHARES IN ASIAN GROWTH PROPERTIES LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
BY NAN LUEN INTERNATIONAL LIMITED  
AND S E A HOLDINGS LIMITED)  
BY AMPLE CAPITAL LIMITED  
ON BEHALF OF NAN LUEN INTERNATIONAL LIMITED**

**INTRODUCTION**

Reference is made to the Joint Announcement.

On 4 May 2017, the resolution in respect of, among other things, the Distribution in Specie was approved at the special general meeting of SEA. On 15 May 2017, completion of the Distribution in Specie took place. As a result of the Distribution in Specie, AGP ceased to be a subsidiary of SEA.

## **APPENDIX II LETTER FROM AGP BOARD**

The making of the Offer is pre-conditional upon the completion of the Distribution in Specie. Accordingly, the pre-condition of the Offer as set out in the Joint Announcement and the Circular had been fulfilled as at the date of this Composite Document. It was announced in the Joint Announcement and the Circular that, after the completion of the Distribution in Specie which would thereby satisfy the pre-condition of the Offer, Ample Capital would, on behalf of the Offeror and pursuant to the Takeovers Code, make a voluntary unconditional securities exchange offer to acquire all the AGP Shares (other than those already owned by the Offeror) on the basis of 1 Consideration Share for every 4 AGP Shares held.

The purpose of this Composite Document is to provide you with, among other things, information on the Offer and the AGP Group as well as the letter from the AGP IBC containing its recommendation and advice to the Independent AGP Shareholders in respect of the Offer and the letter from the Independent Financial Adviser containing its advice to the AGP IBC in respect of the Offer.

### **BACKGROUND**

Pursuant to the Distribution in Specie, the AGP Shares held by SEA have been distributed to the SEA Shareholders (including the Offeror) by way of a special dividend in specie. Following the completion of the sale of AGP Non-PRC Assets to SEA under the SP Agreement, AGP Group continues to hold the AGP PRC Assets.

The AGP Directors note that the Joint Announcement stated that in view of the fact that the AGP Shares are admitted to trading on AIM, and recognising that some SEA Shareholders who receive AGP Shares pursuant to the Distribution in Specie may not wish to hold AGP Shares (given that they may not wish to hold/trade AIM shares), the Offeror, as a means to provide Independent AGP Shareholders (both existing and arising as a result of the Distribution in Specie) with a liquidity option for the AGP Shares (apart from selling those AGP Shares either on-market or off-market) makes an unconditional voluntary share exchange offer to Independent AGP Shareholders to exchange their AGP Shares for SEA Shares held by the Offeror.

Under the original timetable in the Joint Announcement, the original Closing Date of the share exchange offer was expected to be 26 May 2017, and the payment date of the SEA Special Cash Dividend was expected to be 21 June 2017. As Independent AGP Shareholders accepting the share exchange offer would have acquired Consideration Shares from the Offeror together with all rights accruing or attaching thereto (including the SEA Special Cash Dividend), they would have been paid such dividend on 21 June 2017. As disclosed in the joint announcements of the Offeror and AGP dated 5 May 2017, 17 May 2017, 5 June 2017, 16 June 2017 and 7 July 2017, additional time was needed to finalise this Composite Document. Meanwhile the SEA Special Cash Dividend was paid out on 21 June 2017, in accordance with the timetable disclosed in the joint announcement of the Offeror and SEA dated 18 April 2017. To enable accepting Independent AGP Shareholders to retain the same entitlements as under the original timetable, the Offeror revised the terms of the share exchange offer to include the Cash Portion of the Offer, which is an amount equivalent to the SEA Special Cash Dividend.

## APPENDIX II LETTER FROM AGP BOARD

The AGP Directors note that: (i) as disclosed in the Joint Announcement, SEA considered that a distribution of AGP Shares to SEA Shareholders would enhance liquidity of the AGP Shares held by SEA by improving the shareholder base of AGP without being dilutive to SEA and the SEA Shareholders; (ii) as disclosed in the Circular, the latest date of posting the AGP Share certificates (pursuant to the Distribution in Specie) to AGP Shareholders who do not accept the Offer was 15 June 2017; (iii) due to the reasons set out above, this date of posting of the AGP Share certificates has been postponed to 14 September 2017; and (iv) as disclosed on page I-5 of this Composite Document, the relevant Independent AGP Shareholders cannot dematerialise their AGP Shares into depositary interests and trade them before receiving the relevant AGP Share certificates. As such, the AGP Directors believe that the Distribution in Specie has had negligible impact on liquidity of AGP Shares between the date of the Distribution in Specie and the Latest Practicable Date.

It should be noted that it is the AGP Board's current intention to focus on operations in the PRC following completion of the Assets Redistribution and Distribution in Specie, and its property assets are located solely in the PRC, however, the AGP Board does not believe that AGP should be restricted in its sphere of activities. Hence, the AGP Board has not committed to limit its sphere of activities solely to the PRC or to property related development and investments. The strategy of AGP will be determined by the AGP Board itself taking into consideration market opportunities, AGP's financial resources and its core competencies.

The AGP Board believes that it would be in the best interests of AGP and AGP Shareholders if it were to:

- focus on AGP as a property investment and development company whose principal operations are in the PRC; and
- distribute back to AGP Shareholders cash excess to its requirements.

### THE OFFER

Ample Capital, on behalf of the Offeror and pursuant to the Takeovers Code, is making the Offer on the following basis:

**For every 4 AGP Shares.....1 Consideration Share**  
**(being an issued**  
**SEA Share held**  
**by the Offeror)**  
**and HK\$3.0 per**  
**Consideration Share**  
**(being an amount**  
**equivalent to the SEA**  
**Special Cash Dividend)**

## **APPENDIX II LETTER FROM AGP BOARD**

As at the Latest Practicable Date, there were 886,347,812 AGP Shares in issue. As a result of the Distribution in Specie, all 861,278,857 AGP Shares held by SEA (other than 34,598 AGP Shares left undistributed due to fractional entitlements) were distributed to all the Qualifying SEA Shareholders (including the Offeror) in proportion to their respective shareholding in SEA on the basis of 1,268 AGP Shares for every 1,000 SEA Shares held by them. Accordingly, upon completion of the Distribution in Specie on 15 May 2017, 562,340,612 AGP Shares were held by the Offeror, 13,792,397 AGP Shares were held by Mr. Lu Wing Chi, 5,237,854 AGP Shares were held by NYH Limited, 22,390,346 AGP Shares were held by Mr. Lambert Lu, 4,092,442 AGP Shares were held by Mr. Lam Sing Tai and his spouse, 23,432,642 AGP Shares were held by Mr. Lincoln Lu, 34,598 AGP Shares held by SEA through its wholly-owned subsidiary, 229,957,966 AGP Shares were held by SEA Shareholders who received AGP Shares due to the Distribution in Specie (other than the Offeror, Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai and his spouse, Mr. Lincoln Lu and NYH Limited), and 25,068,955 AGP Shares were held by other AGP Shareholders, representing approximately 63.44%, 1.56%, 0.59%, 2.53%, 0.46%, 2.64%, 0.004%, 25.946% and 2.83% of the issued share capital of AGP, respectively.

Based on an exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer for the purpose of this paragraph) and 323,972,602 AGP Shares subject to the Offer, being all of the AGP Shares in issue other than the AGP Shares owned by the Offeror and SEA, and assuming that (i) all Independent AGP Shareholders validly accept the Offer; and (ii) there will be no change in the issued share capital of AGP since the Latest Practicable Date and up to the Closing Date, the maximum number of Consideration Shares which may be exchanged for AGP Shares is 80,993,150. This represents approximately 11.88% of the 681,666,726 existing issued SEA Shares as at the Latest Practicable Date. If no AGP Shares are validly accepted under the Offer, then the Offeror will continue to hold 562,340,612 AGP Shares, which is equivalent to approximately 63.44% of the total issued share capital of AGP as at the Latest Practicable Date.

The exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer for the purpose of this paragraph) was determined by the Offeror based on the Offeror's estimate of (i) the fair market value per AGP Share following the completion of the Restructuring; and (ii) the fair market value per SEA Share following the Restructuring. The fair market values of the AGP Shares and the SEA Shares were calculated by the Offeror based on the following:

**APPENDIX II**  
**LETTER FROM AGP BOARD**

- (1) In respect of the AGP Shares, (i) the unaudited net asset value (attributable to AGP Shareholders) extracted from the unaudited pro forma consolidated statement of financial position of the AGP Remaining Group of HK\$6,258 million (as set out on page IV-4 of Appendix IV to this Composite Document); (ii) less the Offeror's assumption as to the potential PRC tax liabilities of approximately HK\$601 million were the AGP properties sold at their fair market values on 28 February 2017 (for the avoidance of doubt this amount is not included in AGP's financial statements as it does not meet the requirement of a deferred tax liability under International Financial Reporting Standards); (iii) less the special dividend of approximately HK\$1,994 million (equivalent to HK\$2.25 per AGP Share) declared by AGP on 17 March 2017; and (iv) plus the difference between the fair value of the PRC properties held by AGP as at 28 February 2017 and the carrying value of the properties held by AGP as at 31 December 2016, equating to HK\$65 million and relating to Westmin Plaza shopping arcade. For the avoidance of doubt, the revaluation of the AGP Non-PRC Assets was reflected in the consideration payable in accordance with the SP Agreement as set out on page IV-9 of Appendix IV to this Composite Document. Taking these adjustments into consideration, the pro forma net asset value per AGP Share is calculated by the Offeror as HK\$4.21. Excluding the Offeror's approximately HK\$601 million adjustment referred to in (ii) above, the pro forma net asset value per AGP Share is calculated as HK\$4.88.
- (2) In respect of the SEA Shares, (i) the unaudited net asset value (attributable to SEA Shareholders) extracted from the unaudited pro forma consolidated statement of financial position of the SEA Remaining Group of HK\$8,253 million (as set out on page V-5 of Appendix V to this Composite Document); (ii) plus the difference between the fair value of the properties held by SEA and the AGP Non-PRC Assets acquired from AGP as at 28 February 2017 and the carrying value of the properties held by SEA as at 31 December 2016, equating to HK\$2,854 million and relating to Crowne Plaza Hong Kong Causeway Bay. The Offeror considers that no tax is payable in respect of the properties of SEA if the properties were sold on 28 February 2017 at their fair market value, and as such no deferred tax liability has been included in the Offeror's calculations. Taking these adjustments into consideration, the pro forma net asset value per SEA Share is calculated as HK\$16.37. SEA declared the SEA Special Cash Dividend, which was paid to SEA Shareholders on 21 June 2017 which would reduce the pro forma net asset value per SEA Share to HK\$13.37. For the avoidance of doubt, when the Offeror determined the exchange ratio above, the SEA Special Cash Dividend had not yet been declared by SEA, and therefore was not included in the Offeror's calculations. Please also refer to page 12 of this Composite Document for background details of the relationship between the SEA Special Cash Dividend and the Cash Portion of the Offer.

Under the Offer, an Independent AGP Shareholder who accepts the Offer is entitled to receive the Cash Portion of the Offer of HK\$3.0 per Consideration Share he/she/it receives, and such amount is equivalent to the SEA Special Cash Dividend.

**APPENDIX II**  
**LETTER FROM AGP BOARD**

Save for the 886,347,812 AGP Shares in issue, as at the Latest Practicable Date, AGP had no other outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of AGP Shares and AGP had no other relevant securities (as defined in Note 4 to the Rule 22 of the Takeovers Code).

As at the Latest Practicable Date, save for Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai and his spouse, Mr. Lincoln Lu, Mr. Walujo Santoso, Wally, Mr. Leung Hok Lim, Mr. Chung Pui Lam and Mr. David Andrew Runciman (who have given irrevocable undertakings to accept the Offer in respect of the AGP Shares directly or indirectly held by them), the Offeror has not received any indication or irrevocable commitment from any Independent AGP Shareholder that he/she/it will accept or reject the Offer.

**Sufficient financial resources**

The Offer involves the securities exchange for Consideration Shares and Cash Portion of the Offer. Ample Capital, the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration in respect of the Cash Portion of the Offer which would fall to be satisfied upon full acceptance of the Offer.

**Irrevocable undertakings to accept the Offer**

The Offeror has received irrevocable undertakings from the following Independent AGP Shareholders to accept the Offer in respect of all the AGP Shares they directly or indirectly hold:

Independent AGP Shareholder (Note 1)	Number of SEA Shares held	Approximate percentage of the issued share capital of SEA (Note 2)	Number of AGP Shares held	Approximate percentage of the issued share capital of AGP (Note 3)
Mr. Lu Wing Chi	17,238,085 (Note 4)	2.53%	19,030,251 (Note 5)	2.15%
Mr. Lambert Lu	17,658,002	2.59%	22,390,346	2.53%
Mr. Lam Sing Tai and his spouse	3,227,478	0.47%	4,092,442	0.46%
Mr. Lincoln Lu	18,480,002	2.71%	23,432,642	2.64%
Mr. Walujo Santoso, Wally	1,200,000	0.18%	1,521,600	0.17%
Mr. Leung Hok Lim	1,856,928	0.27%	2,354,584	0.27%
Mr. Chung Pui Lam	656,928	0.10%	551,488	0.06%
Mr. David Andrew Runciman	—	—	520,000	0.06%

## **APPENDIX II LETTER FROM AGP BOARD**

*Notes:*

1. Mr. David Andrew Runciman, Mr. Lu Wing Chi, Mr. Lincoln Lu, Mr. Lambert Lu and Mr. Lam Sing Tai are directors of AGP. Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai, Mr. Lincoln Lu, Mr. Leung Hok Lim, Mr. Chung Pui Lam and Mr. Walujo Santoso, Wally are directors of SEA. NYH Limited is wholly owned by Mr. Lu Wing Chi.
2. The total number of issued SEA Shares as at the Latest Practicable Date was 681,666,726.
3. The total number of issued AGP Shares as at the Latest Practicable Date was 886,347,812.
4. Among these SEA Shares, 13,107,285 were held by Mr. Lu Wing Chi and 4,130,800 were held by NYH Limited.
5. Among these AGP Shares, 13,792,397 were held by Mr. Lu Wing Chi and 5,237,854 were held by NYH Limited.

Pursuant to the irrevocable undertakings set out above, the above Independent AGP Shareholders will accept the Offer in accordance with the terms and conditions set out in this Composite Document. The said irrevocable undertakings are not subject to any other condition.

### **Effects of accepting the Offer**

By accepting the Offer, the relevant Independent AGP Shareholders will (i) sell their respective AGP Shares to the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date, (ii) acquire Consideration Shares from the Offeror free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the Closing Date, and (iii) be entitled to the Cash Portion of the Offer, being an amount equivalent to the SEA Special Cash Dividend.

Under the terms of the Offer, acceptance of the Offer is irrevocable and once given cannot be withdrawn except in the circumstances set out in the paragraphs headed “Announcement” and “Right of withdrawal” (the latter of which relates to the Cooling-off Period) in Appendix I of this Composite Document. If the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “Announcement” in Appendix I to this Composite Document, pursuant to Rule 19.2 of the Takeovers Code, the Executive may require that the Independent AGP Shareholders accepting the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until the requirements under Rule 19 of the Takeovers Code can be met.

The Offer is an unconditional voluntary securities exchange and cash offer and is not subject to a prescribed level of valid acceptance being received in respect of the Offer. For the avoidance of doubt, AGP is not subject to the UK Takeovers Code.

## **APPENDIX II LETTER FROM AGP BOARD**

Further details of the Offer including, among other things, the terms and conditions of and the procedures for acceptance and settlement for the Offer are set out in the “Letter From Ample Capital” in this Composite Document, Appendix I to this Composite Document and the accompanying Form of Acceptance.

**The AGP Board notes that if the take up under the Offer is significant, it may not improve AGP Shares in public hands position, which may impact AGP’s ability to remain admitted to trading on AIM, in particular if the AGP Shares in public hands following completion of the Offer was below 10%. The AGP Board understands that as at the Latest Practicable Date, the Offeror had no present intention to voluntarily seek to delist AGP from AIM without making a separate offer.**

### **INFORMATION ON AGP**

AGP was incorporated in the BVI as a limited liability company on 17 February 2004 and redomiciled to Bermuda on 5 December 2016. Prior to the Distribution in Specie, AGP was a 97.17%-owned subsidiary of SEA. AGP ceased to be a subsidiary of SEA immediately after the Distribution in Specie (although SEA continues to hold 34,598 AGP Shares which were left undistributed due to fractional entitlements of Qualifying SEA Shareholders).

AGP is an investment holding company. The AGP Group is principally engaged in property development and investment in the PRC.

The financial information of the AGP Group for the three years ended 31 December 2014, 2015 and 2016 is set out in Appendix II to this Composite Document. The unaudited pro forma financial information of the AGP Group which illustrates the effect of Assets Redistribution and the AGP Special Dividend Payment is set out in Appendix IV to this Composite Document.

### **INFORMATION OF THE OFFEROR AND SEA**

The Offeror was incorporated in Bermuda as an exempted company with limited liability on 30 June 1989 and is an investment holding company. As at the Latest Practicable Date, the Offeror is held as to approximately 63.58% by JCS Limited, 30.00% by Mr. Lu Wing Chi, 3.21% by Mr. Lambert Lu and 3.21% by Mr. Lincoln Lu. JCS Limited is in turn owned by Mr. Lu Wing Chi, Mr. Lambert Lu and Mr. Lincoln Lu as to approximately 49.00%, 25.50% and 25.50%, respectively. Mr. Lu Wing Chi, Mr. Lambert Lu and Mr. Lincoln Lu are directors of SEA, AGP, JCS Limited and the Offeror.

SEA is an investment holding company incorporated in Bermuda on 25 April 1989 and is a company listed on the main board of the Stock Exchange. As at the Latest Practicable Date, the Offeror (i) is a controlling shareholder of SEA and holds 443,486,289 SEA Shares, representing approximately 65.06% of the issued SEA Shares; and (ii) is interested in 562,340,612 AGP Shares, representing approximately 63.44% of the issued AGP Shares. After completion of the Assets Redistribution and the Distribution in Specie, the principal business activities of SEA and its subsidiaries are investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, Australia and the United Kingdom.

**APPENDIX II  
LETTER FROM AGP BOARD**

**COMPULSORY ACQUISITION**

The Offeror does not have any intention to exercise any right which may be available to them under the provisions of the laws of Bermuda to compulsorily acquire any outstanding AGP Shares not acquired pursuant to the Offer after the close of the Offer.

**SHAREHOLDING STRUCTURE OF AGP**

As at the Latest Practicable Date, AGP has 886,347,812 AGP Shares in issue. There are no other classes of securities of the AGP in issue other than the said AGP Shares, and there are no outstanding options, derivatives, warrants or other securities in issue convertible or exchangeable into the AGP Shares as at the Latest Practicable Date.

Assuming that all the Independent AGP Shareholders accept the Offer and that there is no change in the issued share capital of AGP from the Latest Practicable Date up to the Closing Date, the shareholding structure of AGP as at the Latest Practicable Date and immediately after completion of the Offer would be as follows:

	<b>As at the Latest Practicable Date</b>		<b>Immediately after completion of the Offer assuming all Independent AGP Shareholders accepted the Offer</b>	
	<i>Number of AGP Shares (Note 1)</i>	<i>Approximate percentage of the issued share capital of AGP (Note 2)</i>	<i>Number of AGP Shares</i>	<i>Approximate percentage of the issued share capital of AGP (Note 2)</i>
Offeror	562,340,612	63.44%	886,313,214	99.996%
Mr. Lu Wing Chi	13,792,397	1.56%	—	—
NYH Limited (Note 3)	5,237,854	0.59%	—	—
Mr. Lambert Lu	22,390,346	2.53%	—	—
Mr. Lam Sing Tai and his spouse	4,092,442	0.46%	—	—
Mr. Lincoln Lu	23,432,642	2.64%	—	—
SEA (Note 4)	34,598	0.004%	34,598	0.004%
SEA Shareholders who acquired AGP Shares pursuant to the Distribution in Specie (other than the Offeror, Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai and his spouse, Mr. Lincoln Lu and NYH Limited)	229,957,966	25.946%	—	—
Other AGP Shareholders (Note 5)	25,068,955	2.83%	—	—
<b>Total</b>	<b>886,347,812</b>	<b>100.00%</b>	<b>886,347,812</b>	<b>100.00%</b>

## **APPENDIX II LETTER FROM AGP BOARD**

### *Notes:*

1. The above shareholdings were based on the register of members of AGP as at the Latest Practicable Date.
2. The total number of issued AGP Shares as at the Latest Practicable Date was 886,347,812.
3. Given that the Distribution in Specie was made on the basis of 1,268 AGP Shares for every 1,000 SEA Shares held by the Qualifying SEA Shareholders, if any calculation of a Qualifying SEA Shareholder's entitlement to AGP Shares would result in a fraction of an AGP Share, such entitlement will be rounded down to the nearest whole number of AGP Shares. As at the Latest Practicable Date, there were 34,598 AGP Shares left undistributed due to fractional entitlements of the Qualifying SEA Shareholders. Fractional entitlements to AGP Shares and any AGP Shares left undistributed under the Distribution in Specie will be sold in the market as soon as practicable after completion of the Offer and the net proceeds of such sale will be retained for the benefit of SEA. These AGP Shares are currently held by SEA's wholly-owned subsidiary.
4. NYH Limited is a limited liability company wholly-owned by Mr. Lu Wing Chi, the executive director of both SEA and AGP.
5. As at the Latest Practicable Date, the total number of AGP Shares held by the AGP New Zealand Shareholders was 4,869,554. The AGP New Zealand Shareholders may choose to accept or reject the Alternative Arrangement under which the NZ Alternative Arrangement Offeror will dispose of the SEA Shares in the open market and deliver the proceeds to the AGP New Zealand Shareholders who accept the Alternative Arrangement as consideration for the purchase of their AGP Shares.

### **SHAREHOLDING STRUCTURE OF THE OFFEROR**

As at the Latest Practicable Date, the Offeror is held as to approximately 63.58% by JCS Limited, 30.00% by Mr. Lu Wing Chi, 3.21% by Mr. Lambert Lu and 3.21% by Mr. Lincoln Lu. JCS Limited is in turn owned by Mr. Lu Wing Chi, Mr. Lambert Lu and Mr. Lincoln Lu, each a director of SEA and AGP, as to approximately 49.00%, 25.50% and 25.50%, respectively. Mr. Lu Wing Chi, Mr. Lambert Lu and Mr. Lincoln Lu are also directors of JCS Limited and the Offeror.

### **INTENTION OF THE OFFEROR IN RELATION TO THE AGP GROUP**

In order to ensure that the strategic leaderships of AGP and SEA are segregated, AGP and SEA are now led by different persons following completion of the Assets Redistribution. In particular:

- AGP's chief executive officer is Mr. Lincoln Lu;
- SEA's chief executive is Mr. Lambert Lu; and
- With effect from 15 May 2017, Mr. Lincoln Lu has relinquished his executive role in SEA and Mr. Lambert Lu has relinquished his executive role in AGP.

## **APPENDIX II LETTER FROM AGP BOARD**

Save as disclosed above, as at the Latest Practicable Date, the Offeror has no intention to change the composition of the AGP Board, and the Offeror has not proposed or nominated any new director to the AGP Board. Further announcement(s) will be made upon any changes to the composition of the AGP Board if and when necessary.

Following completion of the Restructuring, the AGP Group focuses on the business in the PRC, while the SEA Group continues to focus on the non-PRC business. It should be noted however that, while it is the AGP Board's current intention to focus on operations in the PRC, and its property assets following the Restructuring are located solely in the PRC, the AGP Board does not believe that AGP should be restricted in its sphere of activities. Hence, the AGP Board has not committed to limit its sphere of activities solely to the PRC or to property related development and investments. The strategy of AGP will be determined by the AGP Board itself taking into consideration market opportunities, AGP's financial resources and its core competencies. As at the Latest Practicable Date, the Offeror (i) had no definitive plans in relation to the business of the AGP Group other than continuing its existing principal businesses, (ii) had no plan to terminate the employment of the employees or to redeploy assets of the AGP Group other than those in its ordinary and usual course of business, and had no present intention to voluntarily seek to delist AGP from AIM without making a separate offer. The AGP Board is of the view that the Offeror's future plan in respect of the AGP Group is in the best interests of AGP and the AGP Shareholders as a whole.

### **AGP IBC AND INDEPENDENT FINANCIAL ADVISER**

Rule 2.8 of the Takeovers Code requires that the AGP IBC should comprise all the non-executive directors who have no direct or indirect interest in the Offer other than as an AGP Shareholder. An independent board committee comprising a non-executive director (being Mr. Lam Sing Tai) and all independent non-executive directors of AGP (being Mr. Richard Öther Prickett and Mr. John David Orchard Fulton) has been formed to make a recommendation to the Independent AGP Shareholders in respect of the Offer. Mr. Lambert Lu, a non-executive director of AGP, was excluded from the AGP IBC to avoid any conflict of interest in advising the AGP IBC on the terms of the Offer as he is a concert party of the Offeror and the chief executive of SEA.

Veda Capital Limited has been appointed with the approval of the AGP IBC as the Independent Financial Adviser to advise the AGP IBC in respect of the Offer and, in particular, as to whether the Offer is, or is not, fair and reasonable and as to acceptance.

### **RECOMMENDATION**

Your attention is drawn to (i) the letter from the AGP IBC on pages 45 to 47 of this Composite Document, which sets out the recommendations to the Independent AGP Shareholders in respect of the Offer; and (ii) the letter from the Independent Financial Adviser on pages 48 to 83 of this Composite Document, which sets out its recommendation and advice to the AGP IBC as to the fairness and reasonableness of the Offer and as to acceptance of the Offer, and the principal factors and reasons it has considered before arriving at its recommendation and advice.

**APPENDIX II**  
**LETTER FROM AGP BOARD**

**ADDITIONAL INFORMATION**

Your attention is also drawn to the section headed “Expected timetable” on page 1 of this Composite Document, the accompanying Form of Acceptance, Appendix I to this Composite Document with respect to the procedures for acceptance and settlement, the acceptance period and the share transfer arrangement during and after the close of the Offer, and the additional information set out in the appendices which form part of this Composite Document.

Yours faithfully,  
For and on behalf of the Board of  
**Asian Growth Properties Limited**  
**Lincoln Lu**  
*Chief Executive Officer and Executive Director*

**APPENDIX III  
LETTER FROM THE AGP IBC**

*The following is extracted from the section headed "Letter from the AGP IBC" of the Composite Document:*



**ASIAN GROWTH PROPERTIES LIMITED**

*(Registered in Bermuda with limited liability)*

**(Stock Code: AGP)**

*AGP Directors:*

Richard Öther Prickett (*Non-executive Chairman  
and Independent Non-executive Director*)

Lincoln Lu (*Chief Executive Officer and  
Executive Director*)

Lu Wing Chi (*Executive Director*)

David Andrew Runciman (*Executive Director*)

Lam Sing Tai (*Non-executive Director*)

Lambert Lu (*Non-executive Director*)

John David Orchard Fulton

*(Independent Non-executive Director)*

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business:*

Suites 2506-10, 25th Floor  
Everbright Centre  
108 Gloucester Road  
Wanchai, Hong Kong

28 July 2017

*To the Independent AGP Shareholders,*

Dear Sir or Madam,

**UNCONDITIONAL VOLUNTARY OFFER  
FOR ALL THE ISSUED SHARES IN ASIAN GROWTH PROPERTIES LIMITED  
(OTHER THAN THOSE ALREADY OWNED  
BY NAN LUEN INTERNATIONAL LIMITED  
AND S E A HOLDINGS LIMITED)  
BY AMPLE CAPITAL LIMITED  
ON BEHALF OF NAN LUEN INTERNATIONAL LIMITED**

We refer to the Composite Document dated 28 July 2017 jointly issued by the Offeror and AGP, of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

We have been appointed as the members of the AGP IBC to advise the Independent AGP Shareholders as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent AGP Shareholders are concerned and to make a recommendation as to acceptance of the Offer.

### **APPENDIX III LETTER FROM THE AGP IBC**

Veda Capital Limited has been appointed as the Independent Financial Adviser to advise us in this regard, and details of their advice and the principal factors being taken into consideration in arriving at their recommendation are set out in its letter set out in the section headed “Letter from the Independent Financial Adviser” in the Composite Document.

We wish to draw your attention to the letter from Ample Capital (financial adviser to the Offeror), the letter from the AGP Board and the letter from the Independent Financial Adviser to the AGP IBC as well as the additional information set out in the appendices to the Composite Document.

#### **RECOMMENDATION**

Having considered the terms of the Offer, taking into account the information contained in the Composite Document and the advice from the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in its letter in the Composite Document, we are of the opinion that the terms of the Offer are fair and reasonable so far as the Independent AGP Shareholders are concerned.

As to acceptance of the Offer, we have considered the information mentioned above as well as the following factors.

While the Offer is open to all Independent AGP Shareholders, we note that the purpose of the Offer was to allow SEA Shareholders who received AGP Shares pursuant to the Distribution in Specie, but do not wish to hold AGP Shares, an option to exchange their AGP Shares for SEA Shares (apart from retaining their AGP Shares or selling those AGP Shares either on-market or off-market).

We also note that, although AGP’s investment focus is unrestricted, following completion of the Assets Redistribution and the AGP Special Dividend Payment, AGP’s near term strategy is to focus on property developments and investments in the PRC. On the other hand, SEA has no investment in the PRC following the Assets Redistribution and the Distribution in Specie and has not currently expressly indicated any intention to make material investments in PRC assets. Following the Assets Redistribution and the Distribution in Specie, SEA’s property assets are located in Hong Kong, the United Kingdom and Australia. Accordingly, we believe Independent AGP Shareholders’ decision whether to exchange their AGP Shares for SEA Shares should be guided by whether or not they wish to retain an investment in a company that is principally engaged in property development and investment in the PRC.

Therefore, as to acceptance of the Offer, we recommend that:

- (a) Independent AGP Shareholders who wish to retain an investment in a company that is principally engaged in property development and investment in the PRC should not accept the Offer; or
- (b) Independent AGP Shareholders who do not wish to retain an investment in a company that is principally engaged in property development and investment in the PRC should exchange their AGP Shares for SEA Shares by accepting the Offer.

**APPENDIX III**  
**LETTER FROM THE AGP IBC**

Notwithstanding our recommendation, Independent AGP Shareholders are strongly advised that the decision whether to exchange their AGP Shares for SEA Shares is subject to each Independent AGP Shareholder's individual circumstances and investment objectives and they should consider carefully the terms of the Offer. If in doubt, Independent AGP Shareholders should consult their own professional advisers for professional advice. Furthermore, Independent AGP Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in this Composite Document.

The Independent AGP Shareholders are reminded that their decision to participate in the Offer or to hold their investment in AGP Shares depends on their own individual circumstances and investment objectives. In any event, Independent AGP Shareholders should note that there is no certainty that the current trading volumes and/or current trading price levels of either the AGP Shares or SEA Shares will be sustainable during or after the Offer Period, and also that the information set out in this Composite Document is not an indicator of the future performance of either the AGP Shares or SEA Shares.

Any Independent AGP Shareholder who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, is recommended to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision whether or not to accept the Offer.

Yours faithfully,  
AGP IBC

**Richard Öther Prickett**  
*Non-executive Chairman  
and Independent  
Non-executive Director*

**John David Orchard Fulton**  
*Independent  
Non-executive Director*

**Lam Sing Tai**  
*Non-executive Director*

**APPENDIX IV**  
**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

*The following is extracted from the section headed "Letter from the Independent Financial Adviser" of the Composite Document:*

*The following is the full text of a letter of advice from Independent Financial Adviser to the AGP IBC in relation to the Offer, which has been prepared for the purpose of inclusion in this Composite Document.*

**Veda Capital Limited**  
Room 1106, 11/F  
Wing On Centre  
111 Connaught Road Central  
Hong Kong

28 July 2017

*To the AGP IBC*

Dear Sir/Madam,

**UNCONDITIONAL VOLUNTARY OFFER  
FOR ALL THE ISSUED SHARES IN  
ASIAN GROWTH PROPERTIES LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY  
NAN LUEN INTERNATIONAL LIMITED AND S E A HOLDINGS LIMITED)  
IN EXCHANGE FOR SHARES IN S E A HOLDINGS LIMITED BY  
AMPLE CAPITAL LIMITED  
ON BEHALF OF NAN LUEN INTERNATIONAL LIMITED**

**INTRODUCTION**

We refer to our appointment to advise the AGP IBC in connection with the Offer. Details of the Offer are contained in this Composite Document of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

According to the Joint Announcement and AGP's announcement dated 15 May 2017, pursuant to the Distribution in Specie, AGP Shares held by SEA have been distributed to the SEA Shareholders (including the Offeror) by way of a special dividend in specie. Following completion of the sale of AGP Non-PRC Assets to SEA under the SP Agreement, the AGP Group continues to hold the AGP PRC Assets.

In view of the fact that the AGP Shares are admitted to trading on AIM, and recognising that some SEA Shareholders who received AGP Shares pursuant to the Distribution in Specie may not wish to hold AGP Shares (given that they may not wish to hold/trade shares admitted to trading on AIM), the Offeror, as a means to provide Independent AGP Shareholders (both existing and arising as a result of the Distribution in Specie) with a potential liquidity option for the AGP Shares (apart from selling those AGP Shares either on-market or off-market), has made an unconditional voluntary share exchange offer and cash offer to Independent AGP Shareholders to exchange their AGP Shares for SEA Shares held by the Offeror and also receive cash.

**APPENDIX IV**  
**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

Under the original timetable in the Joint Announcement, the original closing date of the share exchange offer was expected to be 26 May 2017, and the payment date of the SEA Special Cash Dividend was 21 June 2017. Based on those dates, as the Independent AGP Shareholders who accepting the share exchange offer would have acquired the Consideration Shares from the Offeror together with all rights accruing or attaching thereto (including the SEA Special Cash Dividend), they would have been paid such dividend on 21 June 2017. As disclosed in the joint announcements of the Offeror and AGP dated 5 May 2017, 17 May 2017, 5 June 2017, 16 June and 7 July 2017, additional time was needed to finalise this Composite Document; meanwhile the SEA Special Cash Dividend was already paid out on 21 June 2017, in accordance with the timetable disclosed in the joint announcement of the Offeror and SEA dated 18 April 2017. To enable accepting Independent AGP Shareholders to retain the same entitlements as under the original proposed timetable, the Offeror revised the terms of the Offer to include the Cash Portion of the Offer, which is an amount equivalent to the SEA Special Cash Dividend.

On 4 May 2017, the resolution in respect of, among other things, the Distribution in Specie was approved at the special meeting of SEA. On 15 May 2017, the completion of the Distribution in Specie took place. As a result of the Distribution in Specie, AGP ceased to be a subsidiary of SEA.

As at the Latest Practicable Date, the Assets Redistribution, the AGP Special Dividend Payment and the payment of the SEA Special Cash Dividend have completed.

Rule 2.8 of the Takeovers Code requires that the AGP IBC should comprise all the non-executive directors who have no direct or indirect interest in the Offer other than as an AGP Shareholder. Accordingly, the AGP IBC, comprising the non-executive director (being Mr. Lam Sing Tai) and all the independent non-executive directors of AGP (being Mr. Richard Öther Prickett and Mr. John David Orchard Futon), has been formed to advise the Independent AGP Shareholders in relation to the Offer. Mr. Lambert Lu, a non-executive director of AGP, was excluded from the AGP IBC to avoid any conflict of interest in advising the AGP IBC on the terms of the Offer as he is a member of the concert party of the Offeror and the chief executive of SEA.

We, Veda Capital Limited, have been appointed by AGP IBC as the independent financial adviser to advise the AGP IBC in respect of the Offer. Our appointment has been approved by the AGP IBC. Our role as the independent financial adviser is to give our recommendation to the AGP IBC as to whether the terms of the Offer are fair and reasonable so far as the Independent AGP Shareholders are concerned.

We are not associated or connected with AGP, SEA, the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no other arrangement exists whereby we will receive any fees or benefits from AGP, SEA, the Offeror, their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

**APPENDIX IV**  
**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

**BASIS OF OUR ADVICE**

In formulating our opinion to the AGP IBC, we have relied on the statements, information, opinions and representations contained or referred to in this Composite Document and the representations made to us by the AGP Directors and the management of AGP. We have assumed that all statements, information and representations provided by the AGP Directors and the management of AGP, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the AGP Directors in this Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in this Composite Document, or the reasonableness of the opinions expressed by AGP, its advisers, the AGP Directors and/or the management of AGP, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the AGP Group and the SEA Group other than for the purpose of preparation of this letter. We have also assumed that all representations contained or referred to in this Composite Document are true as at the Latest Practicable Date, and that the Independent AGP Shareholders will be notified of any material changes to such representations as soon as reasonably practicable in accordance with Rule 9.1 of the Takeovers Code.

We have not considered the tax consequences on the Independent AGP Shareholders in respect of their acceptance or non-acceptance of the Offer since they vary depending on respective individual circumstances. The Independent AGP Shareholders who are overseas (i.e. the place outside Hong Kong) residents or subject to overseas (i.e. the place outside Hong Kong) taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers. In addition, tax laws and its treatment and interpretation may be subject to change.

**APPENDIX IV**  
**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

**PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion and recommendation to the AGP IBC in relation to the Offer, we have considered the principal factors and reasons as set out below:

**1. Background information of AGP Group**

*(a) Principal Business*

AGP is an investment holding company incorporated in the BVI with limited liability on 17 February 2004 and redomiciled to Bermuda on 5 December 2016. Prior to the Distribution in Specie, AGP was a 97.17%-owned subsidiary of SEA. AGP ceased to be a subsidiary of SEA immediately after the Distribution in Specie (although SEA continues to hold 34,598 AGP Shares which were left undistributed due to fractional entitlements of Qualifying SEA Shareholders).

After completion of the Assets Redistribution and the Distribution in Specie, the AGP Group is principally engaged in property development and investment in the PRC.

Reference is also made to AGP's shareholder circular dated 31 March 2017 (the "AGP Circular"), AGP will enter into a new cost sharing agreement with SEA and it is AGP's intention that it will enter into a lease agreement directly with the third party landlord for its own office premise upon completion of the Restructuring.

*(b) Historical financial information*

*(i) For the year ended 31 December 2016*

Set out below are the financial information extracted from the consolidated financial information of the AGP Group, and the unaudited pro forma information (the "Unaudited AGP Pro Forma Financial Information") of the AGP Group upon completion of the Assets Redistribution and the AGP Special Dividend Payment (the "AGP Remaining Group") for the year ended 31 December 2016 as set out in Appendix II and IV to this Composite Document respectively.

	<b>For the year ended 31 December 2016</b>	
	<b>AGP Group (audited)</b>	<b>AGP Remaining Group (unaudited)</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	539.64	131.65
Profit before taxation	220.94	2,199.81
Profit after taxation	300.97	2,291.88

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	<b>As at 31 December 2016</b>	
	<b>AGP Group</b>	<b>AGP</b>
	<b>(audited)</b>	<b>Remaining Group</b>
	<i>HK\$ million</i>	<b>(unaudited)</b>
		<i>HK\$ million</i>
Current assets	10,939.12	4,692.49
Current liabilities	1,717.74	220.43
Net assets	12,709.27	6,173.88

In accordance with (i) the financial information of the AGP Group contained in Appendix II to this Composite Document and (ii) the annual report of the AGP Group for the year ended 31 December 2016, the AGP Group recorded turnover of approximately HK\$539.64 million for the year ended 31 December 2016 which included the impact of the disposal of certain assets including Chengdu Nova City, Kaifeng Nova City, Huangshan development assets, and Dah Sing Financial Centre in the year 2016, representing a decrease of approximately 24.61% as compared to approximately HK\$715.77 million for the corresponding period in 2015. The revenue was attributable to the recognition of rental income from investment properties, hotel operation, financial investment and sales of properties. The profit attributable to the AGP Shareholders for the year ended 31 December 2016 decreased approximately 77.31% to approximately HK\$300.97 million mainly due to the fair value changes on the investment properties from a gain of approximately HK\$949.11 million for the year ended 31 December 2015 compared to the loss of approximately HK\$100.67 million for the year ended 31 December 2016.

As at 31 December 2016, the AGP Group's equity attributable to the AGP Shareholders amounted to HK\$12,789.51 million (2015: HK\$14,218.76 million). The net asset value per AGP Share as at 31 December 2016 was HK\$14.34.

As shown in the table above, (i) the revenue of AGP Group for the year ended 31 December 2016 was approximately HK\$539.64 million while the unaudited pro forma revenue of the AGP Remaining Group would be approximately HK\$131.65 million upon completion of the Restructuring; (ii) the AGP Group recorded a net profit of approximately HK\$300.97 million for the year ended 31 December 2016, and the AGP Remaining Group would record a net profit of approximately HK\$2,291.88 million upon completion of the Restructuring which was mainly due to the effect of one-off gain on disposal of the AGP Non-PRC Assets of approximately HK\$2,580.31 million, however, if the effect of one-off gain on disposal of the AGP Non-PRC Assets was excluded, the AGP Remaining Group would record a net loss of approximately HK\$288.43 million upon completion of the Restructuring; and (iii) the net asset value of AGP Group amounted to approximately HK\$12,709.27 million as at 31 December 2016 while the unaudited pro forma net asset value of the AGP Remaining Group would be approximately HK\$6,173.88 million upon completion of the Restructuring taking into account of completion of the AGP Special Dividend Payment and the Assets Redistribution but excluding the HK\$2.25 dividend declared by AGP on 17 March 2017.

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For avoidance of doubt, these figures do not take into account the HK\$2.25 dividend per AGP Share announced on 17 March 2017.

*(ii) For the year ended 31 December 2015*

As set out in the annual report of AGP for the year ended 31 December 2015 (“**AGP AR 2015**”), the turnover for the year ended 31 December 2015 amounted to approximately HK\$715.77 million, representing an increase of approximately 10.34% from that for the year ended 31 December 2014 of approximately HK\$648.69 million. As stated in the AGP AR 2015, the turnover was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and the sales of residential units in Kaifeng Nova City.

AGP recorded a profit attributable to the AGP Shareholders for the year ended 31 December 2015 amounted to approximately HK\$1,336.73 million, representing an increase of approximately 90.01% from that for the year ended 31 December 2014 of approximately HK\$703.10 million. As stated in the AGP AR 2015, the reported profit included a revaluation surplus on investment properties net of deferred taxation of approximately HK\$980.80 million compared to approximately HK\$600.30 million for the year ended 31 December 2014. By excluding the net effect of such surplus, the AGP Group’s net profit attributable to the AGP Shareholders was HK\$355.90 million as compared to that of approximately HK\$102.80 million for the year ended 31 December 2014.

As at 31 December 2015, the AGP Group’s equity attributable to the AGP Shareholders amounted to HK\$14,218.80 million (2014: HK\$13,148.10 million). The net asset value per AGP Share attributable to the AGP Shareholders as at 31 December 2015 was approximately HK\$16.

**2. Background information of SEA Group**

*(a) Principal Business*

SEA is an investment holding company incorporated in Bermuda on 25 April 1989 and is a company listed on the main board of the Stock Exchange. As at the Latest Practicable Date, the Offeror (i) is a controlling shareholder of SEA and holds 443,486,289 SEA Shares, representing approximately 65.06% of the issued SEA Shares; and (ii) is interested in 562,340,612 AGP Shares, representing approximately 63.44% of the issued AGP Shares. After completion of the Assets Redistribution and Distribution in Specie, The principal business activities of SEA and its subsidiaries are investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, Australia and the United Kingdom.

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**(b) Historical financial information**

*(i) For the year ended 31 December 2016*

Set out below are the financial information extracted from the consolidated financial information of the SEA Group and the unaudited pro forma information (the “**Unaudited SEA Pro Forma Financial Information**”) of the SEA Group upon completion of the AGP Special Dividend Payment and the Distribution in Specie (the “**SEA Remaining Group**”) for the year ended 31 December 2016, as set out in Appendix III and Appendix V to this Composite Document respectively. For the avoidance of doubt, the financial information of SEA Group includes the consolidation of AGP as a subsidiary of SEA Group.

	<b>For the year ended 31 December 2016</b>	
	<b>SEA Group (audited) HK\$ million</b>	<b>SEA Remaining Group (unaudited) HK\$ million</b>
Revenue	565.98	434.33
Profit before taxation	496.58	846.43
Profit after taxation	571.92	829.70
	<b>As at 31 December 2016</b>	
	<b>SEA Group (audited) HK\$ million</b>	<b>SEA Remaining Group (unaudited) HK\$ million</b>
Current assets	11,469.11	8,742.40
Current liabilities	2,471.95	2,251.52
Net assets	12,332.70	8,256.83

As set out in the annual report of SEA for the year ended 31 December 2016 (the “**SEA AR 2016**”), the turnover of the SEA Group for the year ended 31 December 2016 was approximately HK\$565.98 million, representing a decrease of approximately of 22.75% as compared to HK\$732.70 million for the corresponding period in 2015. The turnover was principally generated from the recognition of rental income from the investment properties (approximately HK\$261.84 million), hotel operation (approximately HK\$228.91 million), the sales of residential units in Kaifeng Nova City (approximately HK\$900.0 million) and income from financial investments (approximately HK\$65.95 million).

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The profit attributable to the SEA Shareholders for the year ended 31 December 2016 decreased from HK\$1,435.93 million to HK\$684.29 million mainly due to the fair value changes on the investment properties from the gain of approximately HK\$953.08 million for the year ended 31 December 2015 to the loss of approximately HK\$104.63 million for the year ended 31 December 2016. The 2016 reported profit attributable to SEA Shareholders included a revaluation deficit on investment properties net of deferred taxation of approximately HK\$80.10 million (2015: revaluation surplus HK\$984.20 million). By excluding the effect of the revaluation deficit, the SEA Group's net profit attributable to the SEA Shareholders was HK\$762.30 million (2015: HK\$479.50 million).

As at 31 December 2016, the SEA Group's equity attributable to the SEA Shareholders amounted to approximately HK\$12,051 million (2015: HK\$13,074.40 million). The net asset value per SEA Share attributable to the SEA Shareholders as at 31 December 2016 was HK\$17.81 as compared with HK\$19.29 as at 31 December 2015.

As shown in the table above, (i) the revenue of SEA Group for the year ended 31 December 2016 was approximately HK\$565.98 million while the unaudited pro forma revenue for the year ended 31 December 2016 of the SEA Remaining Group was approximately HK\$434.33 million; (ii) the net profit of SEA Group for the year ended 31 December 2016 was approximately HK\$571.92 million while the unaudited pro forma net profit of the SEA Remaining Group would be approximately HK\$829.70 million; and (iii) the net asset value of SEA Group as at 31 December 2016 was approximately HK\$12,332.70 million while the unaudited pro forma net asset value of the SEA Remaining Group was approximately HK\$8,256.83 million upon completion of the Restructuring.

For the avoidance of doubt, these figures do not include the impact of HK\$2.25 dividend declared by AGP on 17 March 2017 nor the final dividend of HK6 cents declared by SEA on 27 March 2017 nor the SEA Special Cash Dividend.

*(ii) For the year ended 31 December 2015*

As set out in the annual report of SEA for the year ended 31 December 2015 (the "SEA AR 2015"), the turnover of the SEA Group for the year ended 31 December 2015 was HK\$732.70 million, representing 9.60% increase as compared to that of HK\$668.52 million for the year ended 31 December 2014. The turnover was principally attributable to the recognition of rental income from investment properties, revenue from hotel operation and the sales of residential units in Kaifeng Nova City.

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The profit attributable to the SEA Shareholders for the year ended 31 December 2015 amounted to approximately HK\$1,435.93 million, representing an increase of approximately 1.10 times of approximately HK\$684.46 million for the year ended 31 December 2014. The reported profit attributable to the SEA Shareholders included a revaluation surplus on investment properties net of deferred taxation of approximately HK\$984.20 million (2014: approximately HK\$598.70 million). By excluding the effect of such surplus, the SEA Group's net profit attributable to the SEA Shareholders increased approximately 3.67 times to approximately HK\$479.50 million as compared to that of approximately HK\$102.7 million for the year ended 31 December 2014.

As at 31 December 2015, the SEA Group's equity attributable to the SEA Shareholders amounted to approximately HK\$13,074.40 million (2014: approximately HK\$12,197.05 million). The net asset value per SEA Share attributable to the SEA Shareholders as at 31 December 2015 was HK\$19.29 as compared with HK\$17.69 as at 31 December 2014.

**3. Reasons for the Offer and intention of the Offeror in relation to the AGP Group**

**(A) Reasons for the Offer**

Pursuant to completion of the Distribution in Specie, AGP Shares held by SEA have been distributed to the SEA Shareholders by way of the Distribution in Specie. In view of the fact that the AGP Shares are admitted to trading on AIM, and recognising that the some SEA Shareholders who receive AGP Shares pursuant to the Distribution in Specie may not wish to hold the AGP Shares (given that they may not wish to hold/trade shares admitted to trading on AIM), the Offeror as a means to provide Independent AGP Shareholders (both existing and arising as a result of the Distribution in Specie) with a potential liquidity option for the AGP Shares (apart from selling those AGP Shares either on-market or off-market) has made a voluntary Offer to the Independent AGP Shareholders to exchange their AGP Shares for the SEA Shares held by the Offeror.

As noted from the section headed "Intention of the Offeror in relation to the AGP Group" set out in the "Letter from the AGP Board", following completion of the Restructuring, the AGP Group will focus on the business in the PRC, and will continue to own two investment properties that are located in Guangzhou and two investment properties that are located in Chengdu, detailed information of which has been set out in the Appendix II to the Circular. Meanwhile the SEA Group will continue to focus on the non-PRC business, which consists of an office in the United Kingdom, a resort hotel in Australia and a hotel in Hong Kong.

Reference is made to the AGP Circular, the AGP Board believes that the Restructuring would provide an opportunity to AGP to focus on the business in the PRC upon completion of the Restructuring and the PRC strategy to be in the best interests of AGP and AGP Shareholders. For more information in relation to the view of the AGP Board on the future business strategy of AGP, please refer to the AGP Circular.

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It should also be noted that, although it is the AGP Board's current intention to focus on operations in the PRC, and its property assets following the Restructuring are located solely in Chengdu and Guangzhou in the PRC, the AGP Board does not believe that AGP should be restricted in its sphere of activities. Hence, the AGP Board has not committed to limit its sphere of activities solely to the PRC or to property related development and investments. The strategy of AGP will be determined by the AGP Board itself taking into consideration market opportunities, AGP's financial resources and its core competencies. As at the Latest Practicable Date, the Offeror (i) had no definitive plans in relation to the business of the AGP Group other than continuing its existing principal businesses; and (ii) had no plan to terminate the employment of the employees or to redeploy assets of the AGP Group other than those in its ordinary and usual course of business, and had no present intention to voluntarily seek to delist AGP from AIM without making a separate offer.

As mentioned in the above section, after completion of the Assets Redistribution and the Distribution in Specie, the AGP Group is principally engaged in property development and investment in the PRC. Regarding the business prospect of the AGP Group, we have conducted the following research:

(i) *China macroeconomic condition*

As noted from a research report, namely "*China's Economic and Financial Outlook*" issued by the Bank of China on 31 March 2017, the Chinese economy showed apparently more positive factors, and the expected economic growth rate may stand at around 7% in the first quarter of 2017, which is increased 0.3 percentage points as compared with the same period of the previous year. It was expected that the unstable and uncertain factors that influenced the external environment will still abound in the second quarter of 2017.

According to the International Monetary Fund ("**IMF**"), the expected gross domestic product ("**GDP**") growth of the PRC in 2017 and 2018 are forecasted as 6.7% and 6.4% respectively while the GDP growth in 2016 and 2015 was 6.7% and 6.9% respectively. These show a decreasing trend of the GDP growth rate in the PRC.

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In addition, according to a research report, which is named as “*China Economic Quarterly Q1 2017*”, published in May 2017 by PwC, the PRC maintained its expansionary monetary policy in the first quarter of 2017. The report stated that “*while the RMB still faces pressure to depreciate against the US dollar in 2017, the expectation has become much weaker after US President Donald Trump indicated in April that a strong dollar was not in the interest of the US economy and the US government would not encourage further appreciation of the dollar. As a result, this cycle of US dollar exchange rate hikes could end soon. Therefore, for the rest of 2017, it is likely the exchange rate between the RMB and US dollar may switch from nearly one-way depreciation to bilateral fluctuations*”.

Although there may not be a significant depreciation of RMB against US dollar during 2017 according to the above research report, we believe that the RMB exchange rate is likely to continue to face pressure due to the expansionary monetary policy of the PRC government.

(ii) *Rental environment in Guangzhou and Chengdu*

The AGP PRC Assets comprise of both long term leases and short term leases and are located in Guangzhou and Chengdu in the PRC, of which detailed information has been included in the Circular including the lease terms for each property. We have accordingly conducted certain research on the overview of the office market in Guangzhou and Chengdu.

a) Guangzhou

According to a research report on the office market in Guangzhou, namely “*Vacancy up, rent down*”, issued in February 2017 by Colliers International Group Inc. (“**Colliers**”), which is a global commercial real estate services organisation providing a range of services to commercial real estate users, owners, investors and developers worldwide, we noted that the demand in Guangzhou’s office property market softened in the fourth quarter in 2016, with net absorption, which is the change in occupied space during a period, down by 24% quarter on quarter. The average vacancy rate of the Guangzhou office property market grew by 0.5 percentage points quarter on quarter to 16.3%. Furthermore, as stated in this research report, there will be an additional 951,000 sq.m. of office property scheduled in the Guangzhou office market in the following three years from 2018 to 2020. Therefore, it is expected that such fast expansion poses strong challenges for landlords and places a strong downward pressure on occupancy rates in the short to medium term in the Guangzhou office market.

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However, the average high rent declined as landlords offered rental discounts amidst strong competition. In the future, even though the new projects will have high standards and command above average rents, the numerous landlords would like to offer rental concessions and other benefits in order to compete, and the average rent is expected to stay at the current level.

Therefore, the oversupply in office property market in Guangzhou is expected to place pressure on the rental price, however, the promotional actions that may be taken by landlords would decrease certain negative impacts raised by the oversupply.

b) Chengdu

We noted from a research report on the office market in Chengdu, namely “*Service sector underpins stable leasing demand*” issued by Colliers on 26 April 2017 that the tertiary industry of Chengdu grew by 9.0% year-over-year in 2016 and the output of the finance sector increased by 8.7% year-over-year during the same period, which supports the leasing demand of high-quality office property in Chengdu. Therefore, the demand of office leasing was stable in the first quarter in 2017, and the average vacancy rate declined. However, it is believed that 560,000 sq.m. (6.03 million sq ft) of new office property is scheduled to be completed in Chengdu’s prime office market in 2017, and the oversupply will continue to be a major challenge for landlords and vacancy and it should rise again with rents declining.

*Prospects of the SEA Group*

After completion of the Restructuring, the principal business activities of SEA and its subsidiaries are investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, Australia and the United Kingdom, of which detailed information has been set out in the Appendix VI to this Composite Document. Regarding the business prospects of the SEA Group, we have conducted following researches:

(i) *Hong Kong Government supports local hospitality industry*

As stated in the SEA AR 2016, the performance of the hotel property of the SEA Group (i.e. the Crowne Plaza Hong Kong Causeway Bay) steadied compared to 2015, which was a result in line with the weakening hotel business market. Crowne Plaza Hong Kong Causeway Bay will strive to gain further market share and look for cost saving measures in the challenging market conditions.

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As further noted in the SEA AR 2016, the Hong Kong economy picked up slightly in the third quarter of 2016 with GDP up by 1.9% year-on-year, an improvement relative to the 1.7% year-on-year growth in the preceding quarter. As being one of the international financial centers in the world, Hong Kong will inevitably be affected by global economic factors. The growth of the Hong Kong economy will be dominated by the PRC's policy and performance and the pace of interest rate hikes in the United States.

In addition, as stated in the "*Hong Kong Tourism Board Work Plan for 2017-18*" and the relevant supplementary information submitted by the Hong Kong Tourism Board to the Hong Kong Legislative Council Panel on Economic Development in February 2017, "*the Government will support the tourism industry by allocating an additional sum of HK\$243 million in 2017-2018, of which HK\$238 million will be allocated to the Hong Kong Tourism Board for taking forward various initiatives for the development of the tourism industry*". We noted that such various initiatives include but are not limited to, further promoting the diversification of tourism products, attracting more high-spending visitors and enhancing Hong Kong's appeal as a tourist destination.

We also noted that although the overnight visitors arrivals from the PRC market has declined in 2016, the overnight visitors arrivals from international markets, particularly the short-haul markets, have increased due to the Hong Kong Tourism Board stepping up its promotion in the short-haul markets in 2016.

Furthermore, according to the Hong Kong Tourism Board's work plan as mentioned above, the Hong Kong government's investment in transportation and infrastructure will also enhance Hong Kong's connectivity with neighbouring cities and thereby expand source markets. In addition, the connectivity between Hong Kong and the PRC will facilitate the overseas visitors' travel to the PRC via Hong Kong. It is expected that the hotel room supply will continue to increase and the total number of hotel rooms will reach 85,000 by 2019, approximately 10,000 more than that in 2016, in order to fulfill the increasing demand of hotel room in the coming years.

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*(ii) Stable property market in the United Kingdom*

As noted from a research report, namely “*London Offices Snapshot*” published by Colliers in April 2017, regarding the London office market, in the first three months of 2017, the London office market has been restored to some equilibrium although for 2016 as a whole, there was a sharp fall in annual take-up, which is 15% down on the ten-year average. Furthermore, as referred to a report, namely “*Spotlight — Regional Office Market Review & Outlook*”, published by Savills plc on 28 March 2017, “*Regional office markets are structurally under-supplied, and with occupational demand remaining resilient, we continue to see great opportunities in 2017 and beyond*”, we noted that the supplies of original office market in the United Kingdom are lower than the demand.

As further stated in the report published by Savills plc as mentioned above, for the fourth consecutive year, total take-up in the United Kingdom regions, excluding London, surpassed the long-term average of 9.1m sq ft, reaching an impressive 9.6m sq ft, despite a year of political uncertainty in the regional office market in the United Kingdom.

*(iii) Strong tourism market in Queensland, Australia*

We noted from SEA AR 2016 that SEA holds an investment property, which is located in Queensland, Australia. According to an official report, namely “*Domestic Tourism Snapshot*” issued on 28 June 2017 by Tourism and Events Queensland, which is a statutory body of the government of Queensland. As stated in this report, “*domestic overnight visitor expenditure in Queensland grew approximately 5.8% to a record AUD15.3 billion (equivalent to approximately HK\$90.73 million) in the year ending March 2017 with Queensland’s share of total expenditure relatively stable at 24.7%.*” As further stated in a report namely “*2016 State of the Industry*” issued by Destination Q, which is a partnership between the government of Queensland and the tourism industry, for the year ended 30 June 2016, the number of international visitors to Queensland increased approximately 11.3% and the international visitor expenditure in Queensland increased approximately 10.6% as compared to the same period in 2015. Meanwhile, the number of domestic visitors to Queensland and the amount of domestic visitor expenditure in Queensland increased 5.7% and 7% for the year ended 30 June 2016 as compared to the same period in 2015.

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*Conclusion*

Having considered that (i) the AGP Group is focused on the PRC operations, and the SEA Group is focused on non-PRC operations; (ii) the business prospects of the AGP Group are uncertain given the decelerating economic growth in the PRC<sup>(1)</sup>, the weakening trend in RMB<sup>(2)</sup>, the challenging rental environment in Guangzhou and Chengdu<sup>(3)</sup> and the declining GDP growth rate<sup>(4)</sup>; (iii) the relatively positive business prospects of SEA Group due to (a) the supporting policies on the local hospitality industry by the Hong Kong government<sup>(5)</sup>; (b) stable property market in the United Kingdom<sup>(6)</sup>; and (c) strong tourism market in Queensland, Australia<sup>(7)</sup>; (iv) according to the Unaudited SEA Pro Forma Financial Information and Unaudited AGP Pro Forma Financial Information (as set out in Appendix IV and Appendix V of this Composite Document, respectively), the SEA Group shows better financial performance than that of the AGP Group after the Restructuring (which excludes the one-off gain on the disposal of AGP Non-PRC Assets); and (v) the detailed analysis on (a) share price performance; and (b) comparable analysis, detailed information on which has been set out in the below section headed “Analysis of the Offer”, we are of the view that the Offer provides the Independent AGP Shareholders with a potential liquidity option to exchange AGP Shares for SEA Shares.

(1) according to the Bank of China's report

(2) according to PwC's report

(3) according to Colliers' reports

(4) according to IMF's report

(5) according to Hong Kong Tourism Board

(6) according to Colliers' and Savills' reports

(7) according to Tourism and Events Queensland

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**4. Principal terms of the Offer**

Ample Capital, on behalf of the Offeror and pursuant to the Takeovers Code, is making the Offer to the Independent AGP Shareholders to acquire all the AGP Shares (other than those already owned by the Offeror and SEA) on the following basis:

**For every 4 AGP Shares.....1 Consideration Share**  
**(being an issued SEA**  
**Share held**  
**by the Offeror)**  
**and HK\$3.0**  
**(being an amount**  
**equivalent to the SEA**  
**Special Cash Dividend)**

As at the Latest Practicable Date, there were 886,347,812 AGP Shares in issue. As a result of the Distribution in Specie, all 861,278,857 AGP Shares held by SEA (other than 34,598 AGP Shares left undistributed due to fractional entitlements) have been distributed to all the Qualifying SEA Shareholders (including the Offeror) in proportion to their respective shareholding in SEA on the basis of 1,268 AGP Shares for every 1,000 SEA Shares held by them. Accordingly, upon completion of the Distribution in Specie on 15 May 2017, 562,340,612 AGP Shares were held by the Offeror, 13,792,397 AGP Shares were held by Mr. Lu Wing Chi, 5,237,854 AGP Shares were directly held by NYH Limited, 22,390,346 AGP Shares were held by Mr. Lambert Lu, 4,092,442 AGP Shares were held by Mr. Lam Sing Tai and his spouse, 23,432,642 AGP Shares were held by Mr. Lincoln Lu, 34,598 AGP Shares were held by SEA through its wholly-owned subsidiary, 229,957,966 AGP Shares were held by SEA Shareholders who received AGP Shares due to the Distribution in Specie (other than the Offeror, Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai and his spouse, Mr. Lincoln Lu, and NYH Limited), and 25,068,955 AGP Shares were held by other AGP Shareholders, representing approximately 63.44%, 1.56%, 0.59%, 2.53%, 0.46%, 2.64%, 0.004%, 25.946% and 2.83% of the issued share capital of AGP, respectively.

Based on an exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer for the purpose of this paragraph) and 323,972,602 AGP Shares subject to the Offer, being all of the AGP Shares in issue other than the AGP Shares owned by the Offeror and SEA, and assuming that (i) all Independent AGP Shareholders validly accept the Offer; and (ii) there will be no change in the issued share capital of AGP since the Latest Practicable Date and up to the Closing Date, the maximum number of Consideration Shares which may be exchanged for AGP Shares is 80,993,150. This represents approximately 11.88% of the 681,666,726 existing issued SEA Shares as at the Latest Practicable Date. If no AGP Shares are validly accepted under the Offer, then the Offeror will continue to hold 562,340,612 AGP Shares, which is equivalent to approximately 63.44% of the total issued share capital of AGP as at the Latest Practicable Date.

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As noted from the “Letter from AGP Board” in the Composite Document, the exchange ratio of 1 Consideration Share for every 4 AGP Shares was determined by the Offeror based on Offeror’s estimate of (i) the fair market value per AGP Share following completion of the Restructuring; and (ii) the fair market value per SEA Share following completion of the Restructuring. The fair market values of the AGP Shares and the SEA Shares were calculated based by the Offeror on the following:

- (1) In respect of the AGP Shares, (i) the unaudited net asset value (attributable to AGP Shareholders) extracted from the Unaudited AGP Pro Forma Financial Information of approximately HK\$6,258 million (as set out on page IV-4 of the Appendix IV to this Composite Document) (ii) less the Offeror’s assumption as to the potential PRC tax liabilities of approximately HK\$601 million (the “**Potential Tax Liabilities**”) were the AGP properties sold at their fair market values on 28 February 2017 (for the avoidance of doubt this amount is not included in AGP’s financial statements as it does not meet the requirement of a deferred tax liability under International Financial Reporting Standards); (iii) less the special dividend of approximately HK\$1,994 million (equivalent to HK\$2.25 per AGP Share) declared by AGP on 17 March 2017; and (iv) plus the difference between the fair value of the PRC properties held by AGP as at 28 February 2017 and the carrying value of the properties held by AGP as at 31 December 2016, equating to HK\$65 million (the “**Fair Value Difference in AGP Properties**”) and relating to Westmin Plaza shopping arcade. For the avoidance of doubt, the revaluation of the AGP Non-PRC Assets was reflected in the consideration payable in accordance with the SP Agreement as set out on page IV-9 of the Appendix IV to this Composite Document. Taking these adjustments into consideration, the pro forma net asset value per AGP Share is calculated by the Offeror as HK\$4.21. Excluding the Offeror’s approximately HK\$601 million adjustment referred to in (ii) above, the pro forma net asset value per AGP Share is calculated as HK\$4.88.
  
- (2) In respect of the SEA Shares, (i) the unaudited net asset value (attributable to SEA Shareholders) extracted from the Unaudited SEA Pro Forma Financial Information of HK\$8,253 million (as set out on page V-5 of the Appendix V to this Composite Document); (ii) plus the difference between the fair value of the properties held by SEA and the AGP Non-PRC Assets acquired from AGP as at 28 February 2017 and the carrying value of the properties held by SEA as at 31 December 2016, equating to HK\$2,854 million (the “**Fair Value Difference in SEA Properties**”) and relating to Crowne Plaza Hong Kong Causeway Bay. The Offeror considers that no tax is payable in respect of the properties of SEA if the properties were sold on 28 February 2017 at their fair market value, and as such no deferred tax liability has been included in the Offeror’s calculations. Taking these adjustments into consideration, the pro forma net asset value per SEA Share is calculated as HK\$16.37 as at the date of the Joint Announcement. SEA declared the SEA Special Cash Dividend, which was paid to SEA Shareholders on 21 June 2017, which would reduce the pro forma net asset value per SEA Share to HK\$13.37. For the avoidance of doubt, when the Offeror determined the exchange ratio above, such SEA Special Cash Dividend had not yet been declared by SEA, and therefore was not included in the Offeror’s calculations. Please also refer to page 12 of this Composite Document for background details of the relationship between the SEA Special Cash Dividend and the Cash Portion of the Offer.

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Under the Offer, an Independent AGP Shareholder who accepts the Offer is entitled to receive the Cash Portion of the Offer of HK\$3.0 per Consideration Share he/she/it receives, and such amount is equivalent to the SEA Special Cash Dividend.

Save for the 886,347,812 AGP Shares in issue, as at the Latest Practicable Date, AGP had no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of AGP Shares and AGP had no other relevant securities (as defined in Note 4 to the Rule 22 of the Takeovers Code).

As at the Latest Practicable Date, save for Mr. Lu Wing Chi, Mr. Lambert Lu, Mr. Lam Sing Tai and his spouse, Mr. Lincoln Lu, Mr. Walujo Santoso, Wally, Mr. Leung Hok Lim, Mr. Chung Pui Lam and Mr. David Andrew Runciman (who have given irrevocable undertakings to accept the Offer in respect of the AGP Shares directly or indirectly held by them), the Offeror has not received any indication or irrevocable commitment from any Independent AGP Shareholder that he/she/it will accept or reject the Offer.

**5. Analysis of the Offer**

*(a) Share price performance*

We noted from the “Letter from Ample Capital” that, the exchange ratio of 1 Consideration Share for every 4 AGP Shares (not taking into account the Cash Portion of the Offer) was determined by the Offeror based on the Offeror’s estimate of the fair market value per AGP Share and/or SEA Share following the Restructuring. The historical share prices of AGP and SEA prior to 17 March 2017 have not taken into account the various cash dividends announced by AGP and SEA since 17 March 2017.

Having further considered that, (i) under the Offer, in substance, the AGP Shareholders are able to acquire 1 SEA Share by disposing 4 AGP Shares to Offeror; (ii) the closing prices of SEA Shares have been adjusted to reflect the SEA Special Cash Dividend Payment since 12 May 2017; and (iii) the Assets Redistribution and Distribution in Specie were completed on 15 May 2017, in order to assess the fairness and reasonableness of the exchange ratio of the Offer, we have made reference to (i) the closing price of SEA Shares of HK\$11.76 (equivalent to approximately £1.20) on 15 May 2017 and (ii) the closing price of AGP Shares of £0.285 (equivalent to approximately HK\$2.79) on 15 May 2017.

In order to calculate the ascribed price for 1 AGP Share, we have made reference to the ascribed value per AGP Share of HK\$3.69 (equivalent to approximately £0.38) (the “**Ascribed Price**”), which is equivalent to the closing price of SEA Share of HK\$11.76 on 15 May 2017 plus the Cash Portion of the Offer, and divided by 4 for each AGP Share.

In order to calculate the implied consideration share price for 1 SEA Share, we have also made reference to the implied consideration share price for per SEA Share of approximately HK\$11.16 (equivalent to approximately £1.14) (the “**Implied Consideration Share Price**”), which is equivalent to the closing price per AGP Share of £0.285 (equivalent to approximately HK\$2.79) on 15 May 2017 multiplied by 4 for each SEA Share.

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*Share price performance of AGP*

The chart below illustrates the daily closing prices of AGP Shares (in HK\$) during the period from 15 May 2017 up to and including the Latest Practicable Date (the “**Review Period**”). We have reviewed the movements in the closing prices of the AGP Shares during the Review Period and considered that the Review Period is reasonable enough to illustrate the relationship between the trend of the closing prices of the AGP Shares and the Ascribed Price.

*[Please refer to page 66 of the Composite Document for the relevant chart.]*

During the Review Period, the closing prices of AGP Shares ranged from the lowest of £0.23 (equivalent to approximately HK\$2.25) on 19 June 2017 to the highest of £0.285 (equivalent to approximately HK\$2.79) on 15 May 2017, 19 May 2017, 22 May 2017 and 23 May 2017 respectively. The average daily closing price of AGP Shares during the Review Period was approximately £0.26 (equivalent to approximately HK\$2.56).

In short, as noted from the AGP share performance graph illustrated above, the Ascribed Price of HK\$3.69 were higher than the closing prices of AGP Shares throughout the Review Period.

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*Share price performance of SEA*

The chart below illustrates the daily closing prices of SEA Shares plus the Cash Portion of the Offer of HK\$3.0 per Consideration Share during the Review Period.

We consider that the Review Period is reasonable enough to illustrate the relationship between the trend of the closing prices of the SEA Shares and the Implied Consideration Share Price.

*[Please refer to page 67 of the Composite Document for the relevant chart.]*

During the Review Period, the sum of (a) the closing price of SEA Shares and (b) the Cash Portion of the Offer ranged from the lowest of HK\$12.22 on 19 July 2017 to the highest of HK\$14.76 on 15 May 2017. The sum of the (a) average daily closing price of the SEA Shares and (b) the Cash Portion of the Offer for the period was approximately HK\$13.35.

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The Implied Consideration Share Price of HK\$11.16 represents a discount of approximately 8.67% as compared to the sum of the (a) lowest closing price of SEA Shares and (b) the Cash Portion of the Offer of HK\$12.22 on 19 July 2017 and discount of approximately 24.39% as compared to sum of the (a) the highest closing price of SEA Shares and (b) the Cash Portion of the Offer of HK\$14.76 on 15 May 2017. The Implied Consideration Share Price is lower than the sum of the (a) average closing price of SEA Shares and (b) the Cash Portion of the Offer of approximately HK\$13.35.

In short, as shown in the analysis above, the Implied Consideration Share Price of HK\$11.16 is lower than the sum of (a) closing prices of SEA Shares and (b) the Cash Portion of the Offer throughout the Review Period.

*Comparison between Implied Consideration Share Price and AGP Share Price*

In terms of the comparison set out in this paragraph, which excludes the impact of the Cash Portion of the Offer, the Implied Consideration Share Price of HK\$11.16 also represents a premium of approximately 23.91% as compared to the lowest closing price of AGP Shares of £0.23 (equivalent to approximately HK\$2.25) on 19 June 2017 multiplied by 4 and is equivalent to the highest closing price of AGP Shares of £0.285 (equivalent to approximately HK\$2.79) on 15 May 2017, 19 May 2017, 22 May 2017, and 23 May 2017 multiplied by 4. The Implied Consideration Share Price is higher than the average closing price of AGP Shares of approximately £0.26 (equivalent to approximately HK\$2.56) multiplied by 4.

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*Share price performance of the daily ascribed value per AGP Share*

Based on the exchange ratio of 4 AGP Shares for 1 Consideration Share plus the Cash Portion of the Offer of HK\$3.0 per Consideration Share, the daily ascribed value per AGP Share is equivalent to the sum of the daily closing prices of SEA Share plus the Cash Portion of the Offer of HK\$3.0 and then, divided by 4 during the Review Period (the “**Daily Ascribed Value per AGP Share**”) as compared to the daily closing prices of AGP Shares during the Review Period (the “**Daily Value for AGP Shares**”). The chart below depicts the premium for the Ascribed Value per AGP Share over/to the Daily Value for AGP Shares.

*[Please refer to page 69 of the Composite Document for the relevant chart.]*

As illustrated on the above chart, it is noted that the Daily Ascribed Value per AGP Share represented a premium to the Daily Value for AGP Shares during the Review Period. The maximum premium of Daily Ascribed Value per AGP Share over Daily Value for AGP Shares of approximately 45.45% was recorded on 19 June 2017, the minimum premium of Daily Ascribed Value per AGP Share over the Daily Value for AGP Shares of approximately 19.49% was recorded on 5 July 2017.

Based on the closing price of AGP Shares on the Latest Practicable Date of £0.25 (equivalent to approximately HK\$2.45), the ascribed value per Consideration Share is approximately HK\$9.80 (equivalent to approximately £1, which is equivalent to the closing price per AGP Share on the Latest Practicable Date multiplied by 4).

The sum of the closing price of the SEA Share of HK\$9.30 on the Latest Practicable Date and the Cash Portion of the Offer of HK\$3.0 per Consideration Share (i.e. HK\$12.30 per SEA Share, equivalent to approximately £1.26) represents a premium of approximately 25.51% over the ascribed value per Consideration Share of approximately HK\$9.80 (equivalent to approximately £1).

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*Conclusion*

Having considered that (i) as shown in the graph above, the Implied Consideration Share Price lies below the daily closing price of the SEA Shares plus HK\$3.0 during the Review Period; (ii) the Implied Consideration Share Price is below the sum of the average closing price of SEA Shares plus HK\$3.0 of approximately HK\$13.35 during the Review Period; (iii) as shown in the graph above, the Ascribed Price lies over the daily closing prices of the AGP Shares during the Review Period; (iv) the Ascribed Price represents a premium of approximately 44.10% as compared to the average closing price of the AGP Shares of approximately HK\$2.56 during the Review Period; (v) the Daily Ascribed Value per AGP Share represents premium to the Daily Value for AGP Shares during the Review Period; and (vi) the sum of the closing price of the SEA Share of HK\$9.30 on the Latest Practicable Date and the Cash Portion of the Offer of HK\$3.0 per Consideration Share (i.e. HK\$12.30 per SEA Share) represents a premium of approximately 25.51% over the ascribed value per Consideration Share of HK\$9.80 on the Latest Practicable Date, we are of the view that the exchange ratio of 4 AGP Shares for 1 Consideration Share plus the Cash Portion of the Offer of HK\$3.0 per Consideration Share under the Offer is fair and reasonable so far as the Independent AGP Shareholders are concerned.

**(b) *Liquidity of the shares***

*Trading volume of AGP Shares*

The following table sets out the historical monthly trading volume of the AGP Shares and the percentage of the number of the AGP Shares traded during the Review Period compared to the total number of the AGP Shares in issue as at the Latest Practicable Date.

Month/Period	Total trading volume of each month/period (AGP Shares)	Average daily trading volume (AGP Shares)	Approximately % of average daily trading volume to the total number of issued AGP Shares <i>(note 1)</i>	Number of trading days of AGP Shares in the relevant months (days)
<b>2017</b>				
15 May-31 May	291,002	24,250	0.00274%	12
June	105,243	4,784	0.00054%	22
July (up to and including the Latest Practicable Date)	108,321	6,372	0.00072%	17

*Source: Bloomberg*

*Note:*

(1) *The percentage is calculated based on 886,347,812 AGP Shares in issue as at the Latest Practicable Date.*

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As illustrated above, the percentage of the average trading volume of the AGP Shares ranged from approximately 0.00054% to approximately 0.00274% with an average of approximately 0.00133%. Therefore, the trading volume of the AGP Shares was relatively thin during the Review Period and very illiquid in the open market.

*Trading volume of SEA Shares*

The following table sets out the historical monthly trading volume of the SEA Shares and the percentage of the number of SEA Shares traded during the Review Period compared to the total number of the SEA Shares in issue as at the Latest Practicable Date.

Month/Period	Total trading volume of each month/period (SEA Shares)	Average daily trading volume (SEA Shares)	Approximately % of average daily trading volume to the total number of issued SEA Shares <i>(note 1)</i>	Number of trading days of SEA Shares in the relevant months (days)
<b>2017</b>				
15 May-31 May	2,036,000	169,667	0.025%	12
June	840,180	38,190	0.006%	22
July (up to and including the Latest Practicable Date)	627,846	36,932	0.005%	17

*Source: Stock Exchange*

*Note:*

(1) *The percentage is calculated based on 681,666,726 SEA Shares in issue as at the Latest Practicable Date.*

As noted from the above table, the percentage of the average trading volume of the SEA Shares ranged from approximately 0.005% to approximately 0.025% with an average of approximately 0.012%. The trading volume of the SEA Shares was relatively thin during the Review Period and illiquid in the open market.

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As a result of the Distribution in Specie, the Offeror and SEA are interested in approximately 63.44% and approximately 0.004% of the issued share capital of AGP respectively and the Independent AGP Shareholders are interested in approximately 36.56% of the issued share capital of AGP as at the Latest Practicable Date, which was higher than the percentage of public SEA Shareholders of approximately 26.50% of the issued SEA Shares as at Latest Practicable Date.

However, as referred to the “Letter from AGP Board”, the AGP Directors note that: (i) as disclosed in the Joint Announcement, SEA considered that a distribution of AGP Shares to SEA Shareholders would enhance liquidity of the AGP Shares held by SEA by improving the shareholder base of AGP without being dilutive to SEA and SEA Shareholders; (ii) as disclosed in the Circular, the latest date of posting the AGP Share certificates (pursuant to the Distribution in Specie) to AGP Shareholders who do not accept the Offer was expected to be on 15 June 2017; (iii) due to the reasons set out above this date of posting of the AGP Share certificates has been postponed to 14 September 2017; and (iv) as disclosed on page I-5 of this Composite Document, the relevant Independent AGP Shareholders cannot dematerialise their AGP Shares into depositary interests and trade them before receiving the relevant AGP Share certificates. As such, we noted from the Composite Document that *“the AGP Directors believe that the Distribution in Specie has had negligible impact on liquidity of AGP Shares between the date of the Distribution in Specie and the Latest Practicable Date”*.

In accordance with above analysis, which factually shows the historical performances of the liquidity of SEA Shares and AGP Shares respectively, the average trading volume of AGP Shares is still relatively thinner than the average trading volume of SEA Shares during the Review Period.

As the actual effect of the Distribution in Specie on the trading volume of AGP Shares has not been reflected as at the Latest Practicable Date, the actual level of trading volume of AGP Shares in the future is uncertain. The above analysis is for reference only, which aims to illustrate the historical liquidity of SEA Shares and AGP Shares.

The Independent AGP Shareholders should note that there is no guarantee that the trading volume of AGP Shares will be higher than the trading volume of SEA Shares during and/or after the Offer Period.

Meanwhile, the Independent AGP Shareholders should also note that since the average trading volume of SEA is also thin, they might not be able to dispose of the SEA Shares in the market without exerting a downward pressure on the market price of the SEA Shares.

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(c) *Comparable analysis*

*Comparable analysis of the AGP Group*

In order to further assess the fairness and reasonableness of the Ascribed Price, we have considered two commonly adopted approaches in evaluation of a company, namely price-to-earnings ratio (the “**PER**”) and price-to-book ratio (the “**PBR**”), which are commonly adopted trading multiple analyses. According to the AGP Pro Forma Financial Information, we are given to know the adjusted results of the AGP Group would record a net profit upon completion of the Restructuring, which was mainly due to the gain on disposal of the AGP Non-PRC Assets.

As noticed from the section headed “Intention of the Offeror in relation to the AGP Group” set out in the “Letter from the AGP Board” in this Composite Document, following completion of the Restructuring, AGP Group will focus on the business in the PRC, while SEA Group will continue to focus on the non-PRC business, in addition, as further advised by the management of the AGP Group, they have no intention to operate the business in the areas other than PRC as at the Latest Practicable Date, we are of the view that the gain on disposal is a one-off gain and the effect of the gain on disposal shall be accordingly excluded in the unaudited pro forma income statement. As the AGP Remaining Group would record a loss of approximately HK\$288.43 million and thus PER is not applicable.

Based on the Ascribed Price of HK\$3.69 per AGP Share (equivalent to approximately £0.38) and the total number of issued AGP Shares of 886,347,812 as at the Latest Practicable Date, AGP is valued at approximately HK\$3,207.62 million (equivalent to approximately £327.64 million). The price to book ratio of AGP implied by the Ascribed Price is approximately 0.74 times (the “**Implied AGP P/B Ratio**”), calculated based on the Adjusted NAV of AGP (defined in the section below) of approximately HK\$4,329 million (equivalent to approximately £442.19 million).

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We have attempted to identify the comparable companies which are listed on AIM and principally engaged in similar business as AGP Group (i.e. property investment and development). We have performed searches on the websites of the LSE and Bloomberg, and four comparable companies (the “**AGP Business Comparables**”) were identified, which formed the exhaustive list under our selection criteria. Details of our analysis are listed below:

Company	Principal businesses	Market capitalisation as at the Latest Practicable Date <i>(GBP million)</i> <i>(note 1)</i>	Net asset value attributable to owners <i>(GBP million)</i> <i>(note 2)</i>	PBR <i>(times)</i> <i>(Note 3)</i>
Conygar Investment Co. PLC (CIC LN Equity)	Invests in real estate and other asset-backed investments in the United Kingdom	121.3	141.8	0.86
Globalworth Real Estate Investments Ltd. (GWI LN Equity)	The company is a real estate investment company invests in a diversified portfolio of properties located primarily in Romania	569.7	606.2	0.94
Vinaland Ltd. (VNL LN Equity)	The objective of the company’s fund is investing in a diversified portfolio of mainly Vietnamese property and development projects	197.5	347.1	0.57
Pacific Alliance China Land Ltd. (PACL LN Equity)	A closed-ended, exempted company established to invest in a portfolio of investments in existing properties and new developments in Greater China	110.4	138.0	0.80
			<b>Minimum</b>	<b>0.57</b>
			<b>Maximum</b>	<b>0.94</b>
			<b>Average/mean</b>	<b>0.79</b>
			<b>Implied AGP P/B Ratio</b>	<b>0.74</b>
AGP (AGP LN Equity)	Invest in the property sector within the Asia Pacific region and development projects in the PRC	GBP221.60 million (equivalent to approximately HK\$2,169.46 million)	HK\$6,173.88 million (equivalent to approximately GBP630.63 million) <i>(note 4)</i>	0.35

*Source: the Bloomberg*

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*Notes:*

1. The market capitalisation of the AGP Business Comparables are calculated on the basis of their respective closing prices of the shares and the total number of issued shares as at Latest Practicable Date.
2. The respective net asset values attributable to shareholders as disclosed in the latest published annual/interim reports and/or annual/interim results announcements on or before the Latest Practicable Date.
3. The PBR of the AGP Business Comparables are calculated on the basis of their respective market capitalisation and net asset values attributable to shareholders as disclosed in the latest published annual/interim reports and/or annual/interim results announcements on or before the Latest Practicable Date.
4. The net asset value of AGP is from AGP Pro forma Financial Information set out in Appendix IV to this Composite Document.

As illustrated in the table above, the PBR of the AGP Business Comparables ranges from approximately 0.57 times to approximately 0.94 times with an average of approximately 0.79 times. The Implied AGP P/B Ratio lies within the range of the PBR of the AGP Business Comparables.

*Comparable analysis of the SEA Group*

In order to further assess the fairness and reasonableness of the Implied Consideration Share Price, we have considered two commonly adopted approaches in evaluation of a company, namely the PER and the PBR, which are commonly adopted trading multiple analyses.

Based on the Implied Consideration Share Price of HK\$11.16 per SEA Share and the total number of issued SEA Shares of 681,666,726 as at the Latest Practicable Date, SEA is valued at approximately HK\$7,607.40 million. Assuming that all the SEA Share Options (defined in the section below) are exercised in full, the number of issued SEA Shares would be 688,616,726, SEA is valued at approximately HK\$7,684.96 million. Based on the Adjusted NAV of SEA (defined in the section below) of approximately HK\$11,107 million as set out in the above section, the PBR of SEA implied by the Implied Consideration Share Price is (i) approximately 0.68 times (the “**Implied SEA P/B Ratio I**”), based on the number of issued SEA Shares as at the Latest Practicable Date; and (ii) approximately 0.69 times (the “**Implied SEA P/B Ratio II**”), based on the number of issued SEA Shares as at the Latest Practicable Date and assuming that all the SEA Share Options are exercised in full.

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Based on the unaudited pro forma profit for the year ended 31 December 2016 of approximately HK\$829.70 million as set out in the SEA Pro Forma Financial Information in the Appendix V to this Composite Document, the PER of SEA implied by the Implied Consideration Share Price is (i) approximately 9.17 times (the “**Implied SEA P/E Ratio I**”) based on the number of issued SEA Shares as at the Latest Practicable Date; and (ii) approximately 9.26 times (the “**Implied SEA P/E Ratio II**”), based on the number of issued SEA Shares as at the Latest Practicable Date and assuming that all the SEA Share Options are exercised in full.

As the market capitalisation of the SEA was approximately HK\$6,339.50 million as at the Latest Practicable Date, in order to substantiate our assessment on the fairness and reasonableness of the terms under the Offer, we considered the comparable companies with the market capitalisation of over HK\$5,000 million but not more than HK\$10,000 million as at the Latest Practicable Date. In addition, we have further attempted to identify comparable companies which are principally engaged in hotel operation, property and asset management as well as property investment and development with at least 50% of the total revenue being attributable to such business, being the principal business of SEA. Under such selection criteria, six comparable companies (the “**SEA Business Comparables**”) are identified, which are exhaustive under our selection criteria. Detail of our analysis is listed below:

Company (Stock Code)	Principal businesses	Market	Net asset value		PER (times) (note 4)	PBR (times) (note 7)
		Capitalisation as at the Latest Practicable Date (HK\$ million) (note 1)	Profit/(Loss) for the year (HK\$ million) (note 2)	attributable to owners (HK\$ million) (note 3)		
Lai Sun Garment International Ltd. (0191.HK)	Property development for sale; property investment; investment in and operation of hotels and restaurants and investment holding	6,283.35	683	16,453	9.20	0.38
Regal Hotels International Holdings Ltd. (0078.HK)	Hotel operation and management, hotel ownership through its investment in Regal Real Estate Investment Trust (Regal REIT), asset management of Regal REIT, property development and investment, and other investments	5,540.03	214	11,828	25.92	0.47
Lai Sun Development Co. Ltd. (0488.HK)	Property development for sale, property investment, investment in and operations of hotels and restaurants and investment holding	8,924.13	1,148	24,358	7.77	0.37

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Company (Stock Code)	Principal business	Market	Profit/(Loss) for the year (HK\$ million) (note 2)	Net asset value	PER (times) (note 4)	PBR (times) (note 7)
		Capitalisation as at the Latest Practicable Date (HK\$ million) (note 1)		attributable to owners (HK\$ million) (note 3)		
Jinmao Hotel and Jinmao China Hotel Investments and Management Ltd. (6139.HK)	Own and operate hotels	9,180.00	422	7,370	21.73	1.25
Greenland Hong Kong Holdings Ltd. (0337.HK)	Property development, property and hotel investment, property management and education	7,961.98	1,255	9,957	6.35	0.80
Far East Consortium International Ltd. (0035.HK)	Property development, property investment, hotel operations and management, car park operations and securities and financial product investments	9,787.42	1,118	10,792	8.76	0.91
				Max	25.92	1.25
				Min	6.35	0.37
				Average	13.29	0.69
				Implied SEA P/E Ratio I	9.17	Implied SEA P/B Ratio I 0.68
				Implied SEA P/E Ratio II	9.26	Implied SEA P/B Ratio II 0.69
SEA (0251.HK)	Investment holding, hotel operation, property and asset management as well as property investment and development in Hong Kong, Mainland China, Australia and the United Kingdom.	6,339.50	571.92 (Note 5)	8,256.83 (Note 6)	11.08	0.77

*Source: the Stock Exchange*

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*Notes:*

1. The market capitalisation of the SEA Business Comparables are calculated on the basis of their respective closing prices of the shares and the total number of issued shares as at Latest Practicable Date.
2. The respective net asset values attributable to shareholders as disclosed in the latest published annual/interim reports and/or annual/interim results announcements on or before the Latest Practicable Date.
3. The respective profit/(loss) for the year as disclosed in the latest published annual reports and/or annual results announcements on or before the Latest Practicable Date.
4. The PER of the SEA Business Comparables are calculated on the basis of their respective market capitalisation and profit/(loss) as mention in the above note 2.
5. The profit of SEA is from the audited consolidated financial statement of the SEA Group for the year ended 31 December 2016.
6. The net asset value of SEA is from SEA Pro forma Financial Information as set out in the Appendix V to this Composite Document.
7. The PBR of the SEA Business Comparables are calculated on the basis of their respective market capitalisation and net asset values attributable to shareholders as mention in the above note 3.

As illustrated in the table above, the PER of the SEA Business Comparables ranges from approximately 6.35 times to approximately 25.92 times with an average of approximately 13.29 times. The Implied SEA P/E Ratio I of 9.17 times and the Implied SEA P/E Ratio II of 9.26 times lie within the said range.

The PBR of the SEA Business Comparables ranges from approximately 0.37 times to approximately 1.25 times with an average of approximately 0.69 times. The Implied SEA P/B Ratio I of 0.68 times and the Implied SEA P/B Ratio II of 0.69 times lie within the said range and close/equivalent to the average.

*Conclusion*

Having considered (i) the Implied AGP P/B Ratio lies within the range and above the average of the PBR of the AGP Business Comparables; (ii) the Implied SEA P/E Ratio I and Implied SEA P/E Ratio II lie within the range of the P/E Ratio of the SEA Business Comparables; (iii) the Implied SEA P/B Ratio I and the Implied SEA P/B Ratio II lie within the range and are close/equivalent to the average of the PBR of the SEA Business Comparables, we are of the view that the terms of the Offer are fair and reasonable so far as the Independent AGP Shareholders are concerned.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

*(d) Net asset value comparison*

According to the Unaudited SEA Pro Forma Financial Information, which has not deducted the payment of SEA Special Cash Dividend, the unaudited net asset value (attributable to SEA Shareholders) of SEA Remaining Group was approximately HK\$8,253 million. By adding the Fair Value Difference in SEA Properties of approximately HK\$2,854 million, the adjusted net assets value of SEA Remaining Group is approximately HK\$11,107 million (the “**Adjusted NAV of SEA**”). We noticed from the Stock Exchange website that 222,000 share options of SEA and 2,230,000 share options of SEA were exercised on 5 June 2017 and 12 June 2017, respectively, and we have therefore calculated the adjusted net asset value per SEA Share based on the total number of issued SEA Shares of 681,666,726 shares as at Latest Practicable Date, which would be approximately HK\$16.29 per SEA Share (the “**Adjusted NAV per SEA Share**”).

We note that SEA has 6,950,000 share options (the “**SEA Share Options**”) as at the Latest Practicable Date, assuming that all the SEA Share Options are exercised in full, the number of issued SEA Shares would be 688,616,726, the Adjusted NAV per SEA Share upon exercise of the SEA Share Options would be approximately HK\$16.13.

As SEA declared the SEA Special Cash Dividend which was paid to the SEA Shareholders on 21 June 2017, the Adjusted NAV per SEA Share would be reduced to approximately HK\$13.29 prior to full exercise of SEA Share Options and approximately HK\$13.13 upon full exercise of the SEA Share Options (the “**Current Adjusted NAV per SEA Share**”).

Pursuant to the exchange ratio of 4 AGP Shares for 1 Consideration Share and the Cash Portion of the Offer of HK\$3.0 per Consideration Share, the Offer is in substance an option for the AGP Shareholders to acquire 1 Consideration Share plus HK\$3.0 for every 4 AGP Shares disposed to the Offeror.

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According to the Unaudited AGP Pro Forma Financial Information, the unaudited net asset value (attributable to AGP Shareholders) of the AGP Remaining Group was approximately HK\$6,258 million. By (i) deducting the special dividend of approximately HK\$1,994 million (equivalent to HK\$2.25 per AGP Share) declared by AGP on 17 March 2017; and (ii) adding the Fair Value Difference in AGP Properties of approximately HK\$65 million, the adjusted net assets value of AGP Remaining Group is approximately HK\$4,329 million (the “**Adjusted NAV of AGP**”). Based on the total number of issued AGP Shares of 886,347,812 shares as at the Latest Practicable Date, the adjusted net asset value per AGP Share would be approximately HK\$4.88 (the “**Adjusted NAV per AGP Share**”). In our analysis, we have excluded the Potential Tax Liabilities of approximately HK\$601 million. We are given to understand that taking into account the Potential Tax Liabilities is the Offeror’s commercial decision when determining the share exchange ratio of the Offer. The Potential Tax Liabilities will only be crystallised in the event of disposal of AGP properties. Given that disposals of AGP properties may or may not occur and hence the Potential Tax Liabilities may or may not be crystallised, for prudent sake and also to give a fairer view from the Independent AGP Shareholders’ perspective, we have excluded the Potential Tax Liabilities from our analysis.

Nevertheless, in order to provide more information to the AGP IBC and the Independent AGP Shareholders, we also set out below the comparison of the net asset value of SEA and AGP, which is from the Offeror’s perspective, after taking into account of the Potential Tax Liabilities for reference only.

*From the Offeror’s perspective, including the Potential Tax Liabilities (for reference only)*

In terms of the net asset value comparison and taking into account the Potential Tax Liabilities, the Adjusted NAV per AGP Share would be approximately HK\$4.21. Pursuant to the terms under the Offer, 4 AGP Shares with an aggregate Adjusted NAV of AGP Shares of approximately HK\$16.84 (equivalent to Adjusted NAV per AGP Share multiplied by 4):

- (i) is exchangeable into 1 Consideration Share with the Current Adjusted NAV per SEA Share of approximately HK\$13.29 plus the Cash Portion of the Offer of HK\$3.0 per Consideration Share, i.e. representing a total value of HK\$16.29; and
- (ii) upon the full exercise of the SEA Share Options, is exchangeable into 1 Consideration Share with the Current Adjusted NAV per SEA Share of approximately HK\$13.13 plus the Cash Portion of the Offer of HK\$3.0 per Consideration Share, i.e. representing a total value of HK\$16.13.

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*From the Independent AGP Shareholders' perspective, excluding the Potential Tax Liabilities*

In terms of the net asset value comparison and excluding the Potential Tax Liabilities, the Adjusted NAV per AGP Share would be approximately HK\$4.88. Pursuant to the terms under the Offer, 4 AGP Shares with an aggregate Adjusted NAV of AGP of approximately HK\$19.52 (equivalent to Adjusted NAV per AGP Share multiplied by 4):

- (i) is exchangeable into 1 Consideration Share with the Current Adjusted NAV per SEA Share of approximately HK\$13.29 plus the Cash Portion of the Offer of HK\$3.0 per Consideration Share, i.e. representing a total value of HK\$16.29; and
- (ii) upon the full exercise of the SEA Share Options, is exchangeable into 1 Consideration Share with the Current Adjusted NAV per SEA Share of approximately HK\$13.13 plus the Cash Portion of the Offer of HK\$3.0 per Consideration Share, i.e. representing a total value of HK\$16.13.

We note from the above analysis (excluding the Potential Tax Liabilities) that the sum of the Current Adjusted NAV per SEA Share and the Cash Portion of the Offer of approximately HK\$16.29 and HK\$16.13 prior to and after full exercise of the SEA Share Options, represents discount of approximately 16.55% and approximately 17.34% to an aggregate Adjusted NAV of AGP Shares for 4 AGP Shares of approximately HK\$19.52, respectively. However, having considered that (i) both AGP Shares and SEA Shares are trading on AIM and the Stock Exchange respectively, and the shareholders who would like to realise their investments on market will be traded at the market price instead of net asset value; (ii) our analysis and conclusion as set out in subsection headed "(a) Share price performance" in this letter; and (iii) our analysis and conclusion as set out in subsection headed "(c) Comparable analysis", in this letter, we are of the view that the terms of the Offer are fair and reasonable so far as the Independent AGP Shareholders are concerned.

**RECOMMENDATION**

Having considered the abovementioned principal factors, including but not limited to the following:

- (i) we are of the view that the business prospects of the AGP Group are uncertain due to (a) the decelerating economic growth in the PRC according to the Bank of China; (b) the RMB is still facing pressure according to PwC; (c) the challenging rental environment in Guangzhou and Chengdu according to Colliers; and (d) the declining PRC GDP growth rate according to IMF;

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- (ii) we are of the view that the business prospects of the SEA Group are more positive than the AGP Group's business prospects, due to (a) the supportive policies on the local hospitality industry by the Hong Kong government according to the Hong Kong Tourism Board; (b) the stable property market in the United Kingdom according to Colliers; and (c) strong tourism market in Queensland, Australia according to Tourism and Events Queensland;
- (iii) the Ascribed Price of approximately HK\$3.69 per AGP Share and the Daily Ascribed Value per AGP Share, which is calculated on the sum of the daily closing price of SEA Shares and the Cash Portion of the Offer, then divided by 4 lies over the daily closing price of the AGP Shares during the Review Period;
- (iv) the Implied Consideration Share Price lies below the daily closing price of the SEA Shares during the Review Period;
- (v) pursuant to the terms of the Offer, the aggregate value for 1 Consideration Share and the Cash Portion of the Offer is approximately HK\$12.30, which is equivalent to the closing price per SEA Share of HK\$9.30 on the Latest Practicable Date plus HK\$3.0, which represents a premium of approximately 25.51% to an aggregate value of 4 AGP Shares of approximately HK\$9.80, which is calculated by the closing price per AGP Share of £0.25 (equivalent to approximately HK\$2.45) on the Last Practicable Date multiplied by 4;
- (vi) Implied AGP P/B Ratio lies within the range of the PBR of the AGP Business Comparables;
- (vii) the Implied SEA P/E Ratio I and the Implied SEA P/E Ratio II lie within the range of the PER of the SEA Business Comparables; and
- (viii) the Implied SEA P/B Ratio I and the Implied SEA P/B Ratio II lie within the range and are close/equivalent to the average of the PBR of the SEA Business Comparables,

we are of the opinion that the terms of the Offer including the Cash Portion of the Offer are fair and reasonable so far as the Independent AGP Shareholders are concerned.

Accordingly, we recommend the AGP IBC to advise the Independent AGP Shareholders to accept the Offer.

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The Independent AGP Shareholders should note that the ascribed value of the AGP Shares under the Offer will change from time to time according to the fluctuations in the price of SEA Shares during the Offer Period, and it is uncertain whether the market prices of AGP Shares and/or SEA Shares will rise or not and whether the ascribed value of AGP Shares under the Offer will represent a discount or premium to its market prices of AGP Shares and whether the implied value of SEA Shares under the Offer will represent a discount or premium to its market prices of SEA Shares during and after the Offer. The Independent AGP Shareholders, in particular those who intend to hold their interest as a short-term investment, should monitor closely the trading of the AGP Shares and SEA Shares during the Offer Period. In addition, the Independent AGP Shareholders should note that the figures that refer to the past performance of the AGP Shares and SEA Shares in this letter, is not a reliable indicator of future performance of AGP Shares or SEA Shares.

Yours faithfully,  
For and on behalf of  
**Veda Capital Limited**

**Julisa Fong**  
*Managing Director*

*Notes:*

Ms. Julisa Fong is a responsible officer under the SFO who is licensed to engage in Type 6 (advising on corporate finance) regulated activity and has over 20 years of experience in investment banking and corporate finance.

In this letter, amounts denominated in GBP have been converted into HK\$ at the rate of GBP1 = HK\$9.79 for the purpose of illustration only. No representation is made to the effect that any amounts in GBP or HK\$ have been, could have been or will be converted at the above rate or at any other rates or at all.

**APPENDIX V**  
**DEFINITIONS**

*The following is extracted from the section headed “Definitions” of the Composite Document:*

*In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings. Also, where terms are defined and used in only one section of this Composite Document, these defined terms are not included in the table below:*

“acting in concert”	having the meaning ascribed to it under the Takeovers Code
“Alternative Arrangement”	an unsolicited offer made to the AGP New Zealand Shareholders, as more particularly described in the paragraph headed “Alternative Arrangement for AGP New Zealand Shareholders” in “Letter from Ample Capital” and Appendix I to this Composite Document
“AFM”	Dutch Authority for the Financial Markets
“AGP”	Asian Growth Properties Limited, a company incorporated in the BVI and re-domiciled to Bermuda with limited liability whose shares are traded on AIM (Stock code: AGP), and a direct subsidiary of the Offeror
“AGP Board”	the board of directors of AGP
“AGP Director(s)”	the director(s) of AGP
“AGP IBC”	the independent board committee of AGP formed to approve the appointment of the Independent Financial Adviser and to make recommendations to the Independent AGP Shareholders in respect of the Offer
“AGP Group”	AGP and its subsidiaries
“AGP New Zealand Shareholders”	the AGP Overseas Shareholders holding AGP Shares, if any, whose address(es) as shown on the register of members of AGP is/are located in New Zealand
“AGP Non-PRC Assets”	certain part of the assets owned by AGP, namely (i) bank balances and cash of approximately HK\$5,800 million, (ii) a commercial property in the United Kingdom and a hotel in Hong Kong, and (iii) certain short-term treasury investments of approximately HK\$1,400 million, as more particularly described in the paragraph headed “Further information regarding the Target Group and the AGP Non-PRC Assets” in the Joint Announcement

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“AGP Overseas Shareholders”	AGP Shareholders with his/her/its address in places other than Hong Kong in the register of members of AGP
“AGP PRC Assets”	all the assets and liabilities of the AGP Group that are located within the PRC as more particularly described in section (B)1 of Appendix VI to this Composite Document
“AGP Remaining Group”	AGP and its subsidiaries after the Assets Redistribution and AGP Special Dividend Payment
“AGP Shareholder(s)”	holder(s) of the AGP Shares from time to time
“AGP Share Registrar”	Computershare Investor Services (Bermuda) Limited
“AGP Share(s)”	common share(s) of par value of US\$0.05 each in the share capital of AGP
“AGP Special Dividend Payment”	the special dividend of HK\$10.35 (£1.06) per AGP Share declared by AGP and approved at the special general meeting of AGP held on 21 April 2017, which was paid on 15 May 2017
“AIM”	the AIM Market of the LSE
“AIM Rules”	the AIM Rules for Companies published by the LSE
“Ample Capital”	Ample Capital Limited, a corporation licensed to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the agent making the Offer on behalf of the Offeror and the financial adviser to the Offeror in respect of the Offer
“Assets Redistribution”	the redistribution of the AGP Non-PRC Assets from AGP to SEA pursuant to the SP Agreement
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Cash Portion of the Offer”	the cash portion of HK\$3.0 per Consideration Share payable to each Independent AGP Shareholder who accepts the Offer, being an amount equivalent to the SEA Special Cash Dividend

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**DEFINITIONS**

“Circular”	the circular of SEA dated 18 April 2017 which contains, among other things, details of the Distribution in Specie and the declaration of the SEA Special Cash Dividend
“Closing Date”	28 August 2017, or if the Offer is extended or revised, any subsequent closing date of the Offer as extended and announced by the Offeror and AGP in accordance with the Takeovers Code
“Composite Document”	this composite offer and response document issued by the Offeror and AGP under the Takeovers Code containing details of the Offer and attaching therewith the Form of Acceptance
“Consideration Shares”	a maximum of 80,993,150 SEA Shares held by the Offeror for the settlement of the consideration for the Offer
“Cooling-off Period”	an optional cooling-off period of 10 Business Days after the date when the AGP Share Registrar/SEA Hong Kong Branch Share Registrar (as the case may be) receives an acceptance of the Offer from an Independent AGP Shareholder, during which such Independent AGP Shareholder can choose to withdraw such acceptance if he/she/it has previously elected for a Cooling-off Period in his/her/its Form(s) of Acceptance
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations operated by Euroclear UK & Ireland Limited
“Distribution in Specie”	the distribution of a special dividend by SEA in the form of distribution in specie of the AGP Shares held by SEA to the Qualifying SEA Shareholders in proportion to their respective shareholdings in SEA, which was completed on 15 May 2017
“Executive”	Executive Director of the Corporate Finance Division of the SFC, or any delegate of the Executive Director
“Form(s) of Acceptance”	the form of acceptance and transfer of the AGP Shares in respect of the Offer accompanying the Composite Document
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent AGP Shareholders”	AGP Shareholders other than SEA and the Offeror

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“Independent Financial Adviser”	Veda Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and the independent financial adviser to advise the AGP IBC on the Offer
“Joint Announcement”	the joint announcement issued by the Offeror and SEA dated 31 March 2017 in relation to, among other things, the Distribution in Specie, the Offer and the SEA Special Cash Dividend
“Last AGP Trading Day”	30 March 2017, being the last trading day of AGP Shares on the LSE before the release of the Joint Announcement
“Last SEA Trading Day”	29 March 2017, being the last trading day of SEA Shares on the Stock Exchange before the release of the Joint Announcement
“Latest Practicable Date”	25 July 2017, being the latest practicable date prior to the despatch date of this Composite Document for the purpose of ascertaining certain information contained in this Composite Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LSE”	the London Stock Exchange plc.
“Non-Qualifying SEA Shareholders”	the SEA Shareholders whose respective addresses as shown on the register of members of SEA as at 4:00 p.m. on the record date on 15 May 2017 were in places outside Hong Kong and located in a jurisdiction the laws of which may prohibit the making of the Distribution in Specie to such SEA Shareholders or otherwise require SEA to comply with additional requirements which are (in the opinion of the SEA Directors, subject to legal advice) unduly onerous or burdensome, having regard to the number of SEA Shareholders involved in that jurisdiction and their shareholdings in SEA
“NZ Alternative Arrangement Offeror”	China Rise Securities Asset Management Company Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO and the independent buyer/seller of AGP Shares relating to the Alternative Arrangement

**APPENDIX V  
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“Offer”	an unconditional voluntary offer by Ample Capital on behalf of the Offeror to acquire all the issued shares in AGP (other than those AGP Shares already owned by the Offeror and SEA), in exchange for (i) the Consideration Shares and (ii) the Cash Portion of the Offer
“Offer Period”	the period from 31 March 2017, being the date of the Joint Announcement, to the Closing Date, or such later time and/or date to which the Offeror may decide to extend or revise the Offer in accordance with the Takeovers Code
“Offeror”	Nan Luen International Limited, an exempted company incorporated in Bermuda with limited liability, is the controlling shareholder of SEA
“Panmure Gordon”	Panmure Gordon (UK) Limited, a company incorporated in England and Wales with company number 4915201 and whose registered office address is One New Change, London EC4M 94F, and AGP’s nominated adviser and broker for the purposes of the AIM Rules for Companies published by the LSE, a member of the LSE and regulated by the UK Financial Conduct Authority
“PRC”	the People’s Republic of China, which for the purpose of this Composite Document, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the People’s Republic of China
“Qualifying SEA Shareholders”	the SEA Shareholders whose names appeared on the register of members of SEA as at 4:00 p.m. on 15 May 2017, other than the Non-Qualifying SEA Shareholders
“Relevant Period”	the period commencing on 30 September 2016, being the date falling six months prior to the date of publication of the Joint Announcement on 31 March 2017 and ending on the Latest Practicable Date
“Restructuring”	the corporate restructuring which involves, among other things, the Assets Redistribution, the AGP Special Dividend Payment, the Distribution in Specie and the Offer, and all matters respectively relating thereto
“RMB”	Renminbi, the lawful currency of the PRC
“SEA”	S E A Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 251)

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“SEA Board”	the board of SEA Directors
“SEA Director(s)”	the director(s) of SEA
“SEA Group”	SEA and its subsidiaries
“SEA Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of SEA
“SEA Hong Kong Branch Share Registrar”	Tricor Standard Limited, being SEA’s branch share registrar in Hong Kong
“SEA Remaining Group”	SEA and its subsidiaries after the Distribution in Specie
“SEA Shareholder(s)”	holders of SEA Shares from time to time
“SEA Special Cash Dividend”	the special dividend of HK\$3.0 per SEA Share as declared by SEA and approved at the special general meeting of SEA held on 4 May 2017 which was paid on 21 June 2017
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“SP Agreement”	a sale and purchase agreement entered into between SEA and AGP on 31 March 2017 in relation to the sale and purchase of the AGP Non-PRC Assets
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	having the meaning ascribed to it under the Companies Ordinance (Cap. 622, Laws of Hong Kong)
“Takeovers Code”	the Code on Takeovers and Mergers as in force in Hong Kong from time to time
“Transfer Agent”	the transfer agent for the AGP Shares in respect of the Distribution in Specie, being DBS Vickers (Hong Kong) Limited
“UK”	the United Kingdom
“UK Takeovers Code”	The City Code on Takeovers and Mergers as in force in the United Kingdom from time to time
“US\$”	United States dollars, the lawful currency of the United States of America

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“£”	pound sterling, the lawful currency of the United Kingdom
“%”	per cent

*The English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese text in case of any inconsistency.*

*Hong Kong dollars has been used as the default currency throughout this Composite Document unless otherwise stated. Shareholder returns may increase or decrease due to currency fluctuations.*

*For the purposes of this Composite Document, unless otherwise stated the exchange rate of £1.00 = HK\$9.7559 has been used where applicable, for illustration purposes only, and does not constitute a representation that any amount has been, could have been or may be exchanged at such rates or any other rates or at all on any date.*