

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

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company referred to in this announcement.



MASTER GLORY GROUP LIMITED

凱華集團有限公司

(Carrying on business in Hong Kong as “275 凱華集團”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 275)

**CLARIFICATION ANNOUNCEMENT IN RELATION TO
(A) PROPOSED CAPITAL REORGANISATION;
(B) PROPOSED RIGHTS ISSUE;
(C) APPLICATION FOR WHITEWASH WAIVER;
(D) MAJOR TRANSACTION IN RELATION TO THE DISPOSAL; AND
(E) NOTICE OF SPECIAL GENERAL MEETING**

Reference is made to the circular of the Company dated 27 March 2019 in relation to, among other things, the Capital Reorganisation, the Rights Issue, the application for the Whitewash Waiver and the Disposal (the “**Circular**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Company would like to provide further disclosure of certain information which had not been included in the Circular, but is required to be so included in accordance with paragraph 6(a)(i) of Schedule II of the Takeovers Code, “items of any income or expense which are material” (the “**Information**”), to the Shareholders. Therefore, the Company would like to specifically disclose the Information below, which are extracted from the interim report of the Company for the six months ended 30 September 2018 and annual reports of the Company for each of the three financial years ended 31 March 2016, 2017 and 2018 (the “**Corresponding Period**”):

	For the year ended 31 March			For the six months ended 30 September
	2016	2017	2018	2018
	("YE2016")	("YE2017")	("YE2018")	("PE2018")
	(audited)	(audited)	(audited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Material items of income or expense:				
Other income	9,964	16,773	40,924	2,267
Other gains and losses and other expenses	12,634	2,311,207	255,673	(504,955)
<i>of which:</i>				
<i>Gain on fair value changes upon transfer of properties under development for sale to investment properties</i>	–	2,732,380	–	–
<i>Gain (loss) fair value changes on investment properties</i>	–	229,217	150,106	(259,296)
<i>Exchange gain (loss)</i>	(42,701)	(110,026)	199,366	(247,502)
<i>Impairment loss on properties held for sale</i>	–	(265,136)	–	–
<i>Impairment loss on goodwill arising from acquisition of subsidiaries</i>	–	(115,578)	–	–

During the Corresponding Period, the Company has incurred other income, other gains and losses and other expenses which are significant in value. Other income is mainly attributable to interest income on short-term loans receivable and available-for-sale investments. Other gains and losses and other expenses are mainly attributable to gain on fair value changes upon transfer of properties under development for sale to investment properties (PE2018: nil, YE2018: nil, YE2017: HK\$2.7 billion and YE2016: nil), fair value changes on investment properties (PE2018: loss of HK\$259 million, YE2018: gain of HK\$150 million, YE2017: gain of HK\$229 million and YE2016: nil), exchange gain or loss (PE2018: loss of HK\$248 million, YE2018: gain of HK\$199 million, YE2017: loss of HK\$110 million and YE2016: loss of HK\$43 million), impairment loss on properties held for sale (PE2018: nil, YE2018: nil, YE2017: HK\$265 million and YE2016: nil) and impairment loss on goodwill arising from acquisition of subsidiaries (PE2018: nil, YE2018: nil, YE2017: HK\$116 million and YE2016: nil). Save as disclosed, there are no other items of income or expense which are material for each of the Corresponding Period.

No modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the Company's auditors' report for each of the three financial years ended 31 March 2016, 2017 and 2018.

The Company wishes to emphasise that the oversight was entirely unintentional and assure that any matters related to the Takeovers Code will be dealt with in a more cautious manner in the future.

Save as disclosed above, all information as disclosed in the Circular shall remain unchanged.

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, ADJUSTED SHARES AND/OR RIGHTS SHARES IN NIL-PAID FORM

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Executive granting the Whitewash Waiver to Dr. Yap. Please refer to the paragraph headed “Conditions of the Rights Issue” in the Letter from the Board in the Circular. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Existing Shares and/or the Adjusted Shares.

Any dealings in the Existing Shares and/or Adjusted Shares from the date of this announcement up to the date on which all conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Existing Shares, Adjusted Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

By order of the Board of
MASTER GLORY GROUP LIMITED
Dr. Yap Allan
Chairman

Hong Kong, 16 April 2019

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Dr. Yap Allan (*Chairman*)
Mr. Heung Pik Lun, Edmond
Dr. Wu Guangsheng

Independent Non-executive Directors:

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai
Dr. Wu Chun Wah

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