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

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

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

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**CHINA INVESTMENTS HOLDINGS LIMITED****中國興業控股有限公司\****(Incorporated in Bermuda with limited liability)***(Stock code: 132)****MAJOR TRANSACTION  
FORMATION OF JOINT VENTURE**

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A letter from the board of directors of China Investments Holdings Limited is set out on pages 4 to 10 of this circular.

19 December 2017

\* *For identification purpose only*

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following terms have the meanings as respectively ascribed below:–*

“Board”	the board of Directors of the Company
“CIH Finance”	CIH Finance Investments Holdings Limited (中國興業金融投資控股有限公司), a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of the Company
“Company”	China Investments Holdings Limited (中國興業控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 132)
“Conditions”	has the meaning ascribed to it under the section headed “ <i>Letter from the Board – The JV Documentation – Conditions to capital contributions</i> ”
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JV Agreement”	the joint venture agreement executed by CIH Finance and Nanhai Financial Hi-Tech Holdings on 16 November 2017 in relation to the JV Formation

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## DEFINITIONS

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“JV Company”	廣東中岩泰科建設有限公司 (Guangdong Sino Rock Tyco Construction Co., Ltd.), the Sino-foreign joint venture company established in the PRC with limited liability by CIH Finance and Nanhai Financial Hi-Tech Holdings pursuant to the JV Documentation
“JV Documentation”	the JV Agreement and the articles of association of the JV Company executed by CIH Finance and Nanhai Financial Hi-Tech Holdings on 16 November 2017
“JV Formation”	the establishment of the JV Company by CIH Finance and Nanhai Financial Hi-Tech Holdings and the transactions contemplated under the JV Documentation
“JV Partners”	CIH Finance and Nanhai Financial Hi-Tech Holdings
“Latest Practicable Date”	15 December 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanhai Financial Hi-Tech Holdings”	佛山市南海金融高新區投資控股有限公司 (Nanhai Financial Hi-Tech Zone Investment Holdings Co., Ltd.*), a company incorporated in the PRC with limited liability
“Nanhai Holding”	廣東南海控股投資有限公司 (Guangdong Nanhai Holding Investment Co., Ltd.*), a company incorporated in the PRC with limited liability, and a controlling shareholder of the Company
“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong and the Macau Special Administrative Region of the People’s Republic of China and Taiwan

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## DEFINITIONS

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“Sale Option”	has the meaning ascribed to it under the section headed “ <i>Letter from the Board – The JV Documentation – Sale Option</i> ”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the HK\$0.10 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### CHINA INVESTMENTS HOLDINGS LIMITED

中國興業控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

*Executive Directors:*

He Xiangming (*Chairman of the Board*)  
Lin Pingwu (*Managing Director*)  
You Guang Wu (*Director*)  
Huang Zhihe (*Deputy Managing Director*)  
Wang Xin (*Deputy Managing Director*)

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors:*

Chan Kwok Wai  
Chen Da Cheng  
Deng Hong Ping

19 December 2017

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION FORMATION OF JOINT VENTURE

#### INTRODUCTION

Reference is made to the announcement of the Company dated 16 November 2017 in relation to the entering into of the JV Documentation among CIH Finance (a wholly-owned subsidiary of the Company) and Nanhai Financial Hi-Tech Holdings for the establishment of the JV Company, pursuant to which CIH Finance has agreed to contribute an equivalent amount of RMB728,000,000 to the JV Company, representing 80% of the total capital contributions.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, further information on the JV Documentation and the JV Formation and other information as required under the Listing Rules.

### THE JV DOCUMENTATION

Set out below is a summary of the principal terms of the JV Documentation:

**Date:** 16 November 2017 (after trading hours)

**Parties:** (1) CIH Finance, a wholly-owned subsidiary of the Company;  
and  
(2) Nanhai Financial Hi-Tech Holdings.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Nanhai Financial Hi-Tech Holdings and its ultimate beneficial owners are considered third parties independent of the Group and its connected persons.

**Scope of business:** Development, construction and operation of industrial parks including the industrial park to be constructed in Danzao Town, Nanhai District, Foshan City, Guangdong Province, the PRC; property management and service; corporate management consultancy; civil engineering construction; installation of lines, ducts and equipment; leasing of equipment; trading agent.

**Capital contributions:** The total capital contributions by the JV Partners to the JV Company will be the cash amount of RMB910,000,000, including:

- (1) an equivalent amount of RMB728,000,000, representing 80% of the total registered capital of the JV Company, to be contributed by CIH Finance; and
- (2) RMB182,000,000, representing 20% of the total registered capital of the JV Company, to be contributed by Nanhai Financial Hi-Tech Holdings.

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## LETTER FROM THE BOARD

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The contribution to the registered capital of the JV Company to be made by CIH Finance will be funded through onshore guarantee for offshore loan (內保外貸) bank borrowings. Nanhai Holding has provided the necessary corporate guarantee to the bank at no costs and not secured by any assets of the Group.

The amount of the capital contributions is determined after arm's length negotiation of the JV Partners and with reference to the funding needs of the JV Company and the agreed share by each JV Partner.

Subject to the satisfaction of the Conditions, the capital contributions will be provided by each of the JV Partners before 1 December 2018.

**Conditions to capital contributions:**

Provision of the capital contributions by the JV Partners is subject to the satisfaction of the following conditions (collectively, the “**Conditions**”) on or before 31 December 2017:

- (1) CIH Finance and Nanhai Financial Hi-Tech Holdings and/or their respectively holding companies having obtained all necessary consents, authorisations and approvals for the execution and performance of the JV Documentation and other relevant documents (including the necessary consents, authorisations and approvals required under applicable laws, regulations and/or the Listing Rules); and as at the Latest Practicable Date, the execution and performance of the JV Documentation and other relevant documents have been (a) approved by the board of directors and shareholders of Nanhai Financial Hi-Tech Holdings; (b) approved by the board of directors and ultimate shareholder of CIH Finance; and (c) approved by the board of Directors and a written approval of the JV Formation has been obtained from the majority Shareholder of the Company, therefore condition (1) had been fulfilled; and



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## LETTER FROM THE BOARD

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- (2) the approvals from the relevant authorities of the PRC of the JV Formation and the JV Documentation and other relevant documents having been obtained and the JV Company having been registered; and as at the Latest Practicable Date, the necessary approval of the JV Formation and the JV Documentation and other relevant documents had been obtained from the Market Supervision and Administration of Nanhai District, Foshan City (佛山市南海區市場監督管理局), and the JV Company had successfully been registered, therefore condition (2) had also been satisfied.

If the Conditions cannot be satisfied on or before 31 December 2017, the JV Agreement will lapse. As at the Latest Practicable Date, as aforementioned, all Conditions had been satisfied.

**Board composition:** The board of the JV Company will consist of 5 directors, 4 of which (including the chairman of the board) will be nominated by CIH Finance and 1 of which will be nominated by Nanhai Financial Hi-Tech Holdings.

**Term:** 40 years from the date of issue of the business license of the JV Company.

**Sale Option:** CIH Finance may require Nanhai Financial Hi-Tech Holdings (or its designated entity) to acquire from it (the “**Sale Option**”):

- (1) 8% of its equity interest in the JV Company in the second year of the establishment of the JV Company; and
- (2) 72% of its equity interest in the JV Company in the third year of the establishment of the JV Company.

The consideration for the transfer of the equity interests under the Sale Option will be determined with reference to an intermediary agency’s valuation of the then value of the equity interest in the JV Company as well as a targeted internal rate of return which may generate a targeted return to the Group of approximately 3% p.a. of the capital contributed by the Group (net of all projected construction and operating costs and other expenses, financial costs and related income tax). The said consideration will be subject to the approval of the relevant authorities.

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## LETTER FROM THE BOARD

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The exercise of the Sale Option by CIH Finance is at the absolute discretion of CIH Finance and is only conditional upon all approvals (if applicable) required under the then applicable Listing Rules and laws having been obtained by CIH Finance and/or the Company.

### REASONS FOR AND BENEFITS OF THE JV FORMATION

To enhance the Group's profit position and investment portfolio, the Group has been making continuous efforts in identifying projects with promising profit and development potential. As part of the PRC's national-level industry support policies to promote the transition for green development sustainable clean growth economy, Foshan City was chosen as one of the five demonstration cities to utilise hydrogen powered fuel cell vehicles under "The Project of Accelerating the Development and Commercialisation of Fuel Cell Vehicles in China" (促進中國燃料電池汽車商業化發展項目) launched by the United Nations Development Programme, the PRC Ministry of Finance and the PRC Ministry of Science and Technology. Against this backdrop, the electric vehicle and hydrogen powered fuel cell vehicle production project has been implemented in Danzao Town, Nanhai District earlier this year.

The Group sees a valuable investment opportunity to capture the commercial potential so introduced by participating in the necessary infrastructure and supporting facility development in the Nanhai region, and proposes to partner with Nanhai Financial Hi-Tech Holdings, a developer of industrial parks in the PRC, to establish and make capital contributions to the JV Company for its development of new high-end industrial parks in the Danzao area. The construction of the industrial parks is expected to commence in early 2018 and complete in the year 2019, following which the same will be leased to entities taking part in the electric vehicle and hydrogen powered fuel cell vehicle production project.

The Directors believe that the terms of the JV Formation are on normal commercial terms, fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECTS OF THE JV FORMATION

Upon completion of the JV Formation, the JV Company will become an 80%-owned subsidiary of the Group, and its financial results will be consolidated into the consolidated financial statements of the Group. The net asset value of the Group is expected to remain unchanged as the increase in net asset value attributable to the JV Company is expected to be offset by the increase in bank borrowing of the Group for the purpose of the Capital Contribution. Regarding the effect of the JV Formation on the earnings of the Group, the Group will bear a financial cost from the bank borrowings in the estimated amount of HK\$38,657,000 per annum, for further details of the bank borrowings, please refer to the section headed “*Letter from the Board – The JV Documentation – Capital contributions*” above, and the section headed “*Appendix I – Financial information of the Group – 2. Indebtedness statement*” below.

### LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the capital contribution of CIH Finance in the JV Company exceeds 25% but is less than 100%, the JV Formation constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The JV Formation is subject to the announcement, circular and shareholders’ approval requirements under the Listing Rules.

As no Shareholder is materially interested in the JV Formation and no Shareholder is required to abstain from voting at a general meeting of the Company approving the JV Formation, and the Company has, pursuant to Rule 14.44 of the Listing Rules, obtained written approval of the JV Formation from Prize Rich Inc., a Shareholder holding 1,207,713,527 issued Shares (representing 70.53% of its entire issued capital as at the Latest Practicable Date), the Company is exempted from convening a general meeting to approve the JV Formation.

The Sale Option granted to CIH Finance under the JV Agreement constitutes an option under Rule 14.72 of the Listing Rules. As the exercise of the Sale Option is at the discretion of CIH Finance, pursuant to Rule 14.75(1) of the Listing Rules, on the grant of such option, only the premium will be taken into consideration for the purpose of transaction classification. As no premium is payable for the grant of the Sale Option to CIH Finance, such grant does not constitute a notifiable transaction of the Company. The Company will comply with the Listing Rules requirements, if applicable, on the exercise of the Sale Option.

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## LETTER FROM THE BOARD

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### INFORMATION ON THE PARTIES

The Group is principally engaged in hotel investment, management and operation, and property investments in both properties held for sale and investment properties, and, through its joint ventures and associates, the Group also participates and invests in fast-growing sectors, including the electric utilities, financial leasing, as well as wellness and healthcare industries in the PRC. CIH Finance is a wholly-owned subsidiary of the Company and is principally engaged in financial and project investment.

Nanhai Financial Hi-Tech Holdings is principally engaged in the financing, investment, development and management of properties in hi-tech development zones.

### RECOMMENDATION

The Directors consider that the terms of the JV Documentation and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable, and the entering into of the JV Documentation and the transactions contemplated thereunder are in the best interests of the Company and the Shareholders as a whole.

### ADDITIONAL INFORMATION

Your attention is drawn to the financial and general information as set out in the appendices to this circular.

On behalf of  
**China Investments Holdings Limited**  
**HE Xiangming**  
*Chairman*

**1. FINANCIAL INFORMATION OF THE GROUP**

Details of the audited financial information of the Group for each of the three years ended 31 December 2014, 2015 and 2016 are disclosed in the following annual reports of the Company for the years ended 31 December 2014, 2015 and 2016, respectively, and details of the unaudited interim financial information of the Group for the six months ended 30 June 2017 are disclosed in the following interim report of the Company for the six months ended 30 June 2017, which have been published and are available on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company (<http://chinainvestments.oceanwir.com>):

- the annual report 2014 of the Company for the year ended 31 December 2014 which is published on 2 April 2015 (available on: <http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0402/LTN201504021995.pdf>), please refer to pages 27 to 111 in particular;
- the annual report 2015 of the Company for the year ended 31 December 2015 which is published on 15 April 2016 (available on: <http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0415/LTN20160415877.pdf>), please refer to pages 27 to 103 in particular;
- the annual report 2016 of the Company for the year ended 31 December 2016 which is published on 20 April 2017 (available on: <http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0420/LTN201704201313.pdf>), please refer to pages 33 to 121 in particular; and
- the interim report 2017 of the Company for the six months ended 30 June 2017 which is published on 8 September 2017 (available on: <http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0908/LTN20170908384.pdf>), please refer to pages 12 to 56 in particular.

**2. INDEBTEDNESS STATEMENT**

As at the close of business on 31 October 2017, the Group had outstanding secured interest bearing bank loans of approximately HK\$136,573,000 and an unsecured fixed interest bearing loan from its associate of approximately HK\$38,824,000. The Group had outstanding convertible notes in the aggregate principal amount of HK\$166,232,000 issued by the Company on 13 October 2014.

Save as aforesaid or otherwise discussed herein, as at the close of business on 31 October, 2017, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

As at the Latest Practicable Date, the Group has obtained a loan facility from a bank in Macau of approximately USD110,090,000. The purpose of the loan is specifically for the contribution by the Group to the registered capital of the JV Company. The loan facility has not been utilised as at the Latest Practicable Date. Nanhai Holding has provided the necessary guarantee to the bank at no cost and not secured by any assets of the Group. In addition, the Group has also obtained a loan facility amounting to HK\$90,000,000 from Prize Rich Inc., a controlling shareholder of the Company.

**3. MATERIAL ADVERSE CHANGE**

The Directors confirm that, save and except for the temporary suspension of operation of the Guilin Plaza for comprehensive renovation work from March to November 2017 (as disclosed in the interim report of the Company for the six months ended 30 June 2017), as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Company were made up.

**4. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the existing cash and bank balances, other internal resources and available existing unutilised credit facilities, the Group has sufficient working capital for its present requirements and to satisfy its requirements for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances.

**5. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The Group's multifaceted businesses are more resilient to sector-specific fluctuations in the economy, with diversified fields spanning from hotel investment, management and operation, and property investments in both properties held for sale and investment properties, to, through its joint ventures and associates, fast-growing sectors, including the electric utilities, financial leasing, as well as wellness and healthcare industries in the PRC over the years.

Regarding the Group's hotel business, in order to adapt to market changes, Guilin Plaza has carried out a comprehensive renovation in business model, by joining as a franchisee of the James Joyce Coffotel owned by Plateno Group, and through comprehensive renovation work, the hotel business will be divided into two segments, namely hotel tourism and commercial leasing. Guilin Plaza has been closed from March to November in this year to carry out such work. Following the re-opening of the hotel with a brand-new look, it is expected that the Group's hotel business will grow gradually with improved performance.

Regarding the Group's property investment business, the continuous increase of occupancy rate of Zhongkong Tower is expected to bring continuous and steady income to the Group. In addition, the Group intends to invest in and develop property projects in the core region of the Pearl River Delta, increase its investments in properties with high appreciation potential and dispose of non-core properties with unsatisfactory yields.

Furthermore, the Group is cultivating its new wellness business and homestay accommodation businesses which have tremendous untapped potentials in the PRC.

The Group has been actively identifying investment opportunities, and will continue to look for investment projects with long-term development potential and steady income. The Group will continue to strive and seek out expansion opportunities through mergers and acquisitions and business formations in the same or other fields or sectors with a view to maintaining a strong focus to deliver solid returns for the Shareholders.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### (a) Interests and short positions of Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and any associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or (ii) entered in the register required to be kept under Section 352 of the SFO or (iii) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) adopted by the Company were as follows:

#### *Long positions in the Shares*

Name of Director	Capacity	Nature of interest	Number of Shares held	Approximate percentage of total issued Shares as at the Latest Practicable Date <sup>1</sup>
He Xiangming	Beneficial owner	Personal	1,441,000	0.08

*Notes:*

- The percentage was calculated based on 1,712,329,142 Shares in issue as at the Latest Practicable Date.



Save as disclosed above, none of the Directors and chief executives of the Company had, as at the Latest Practicable Date, any interests or short positions in any shares and underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company were taken or deemed to have pursuant to Divisions 7 and 8 of Part XV of the SFO), or which were entered in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Interests and short positions of the Shareholders in the Shares, underlying Shares of the Company**

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the interests and short positions of the Shareholders (other than directors or chief executives of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:–

Name of Shareholder	Capacity of Shareholder	Number of Shares/ underlying Shares		Approximate percentage of total issued Shares as at the Latest Practicable Date <sup>1</sup>
		Long position	Short position	
Nanhai Holding	Corporate interest	1,426,439,842 <sup>2</sup>	–	83.30%
Nam Keng Van Investment Company Limited	Beneficial owner	121,864,487 <sup>3</sup>	–	7.12%
Cui Guo Jing	Corporate interest	121,864,487 <sup>3</sup>	–	7.12%
Pu Jian Qing	Corporate interest	121,864,487 <sup>3</sup>	–	7.12%

*Notes:*

1. The percentage was calculated based on 1,712,329,142 Shares in issue as at the Latest Practicable Date.
2. These 1,426,439,842 Shares comprises (i) 1,207,713,527 Shares held by Prize Rich Inc. which was wholly-owned by Nanhai Holding; and (ii) 218,726,315 new Shares to be allotted and issued by the Company to Prize Rich Inc. upon the exercise of conversion rights attaching to the convertible bonds issued by the Company to Prize Rich Inc. pursuant to an acquisition agreement as part of the consideration.
3. These 121,864,487 Shares were held by Nam Keng Van Investment Company Limited which was wholly-owned by Mr. Cui Guo Jian and Mr. Pu Jian Qing equally.

Saved as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person (other than Directors and chief executives of the Company) who had interests or short positions in the Shares and underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were entered in the register required to be kept under Section 336 of the SFO.

As at the Latest Practicable Date, no Director or proposed Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**3. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or his or her respective close associates was considered to have an interest in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors or his or her close associates were appointed to represent the interests of the Company and/or the Group.

**4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP**

As at the Latest Practicable Date,

- (a) none of the Directors were materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and

- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Company were made up.

## 5. MATERIAL CONTRACTS

The following are contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) entered into by the members of the Group within the two years immediately preceding the date of this circular and which is or may be material:

- (a) the provisional sale and purchase agreement dated 25 July 2017 entered into among Greenswood Property Limited (建和物業有限公司) (“**Greenswood**”) (an indirect wholly-owned subsidiary of the Company) as vendor, China Queen Investment Limited (中崑投資有限公司) (“**China Queen**”) as purchaser and Flourish Property Agency (C. I. S.) Limited as the selling agent, pursuant to which Greenswood has agreed to sell Portion A on the Ground Floor of Kai Yip Factory Building, Nos. 15-17 Sam Chuk Street, San Po Kong, Kowloon, Hong Kong to China Queen for the consideration of HK\$33,800,000;
- (b) the letter of intent dated 31 August 2017 entered into between China Investments Limited (“**CIL**”) (a direct wholly-owned subsidiary of the Company) as vendor and LIN Zhongxing (“**LIN**”) as purchaser, pursuant to which CIL agreed to sell and LIN agreed to purchase 33 offices and 4 shops located at Shantou Commercial Plaza, 106 Jinsha Road, Shantou of Guangdong Province in the PRC (the “**Properties**”) and the tenancies of the Properties (if any) by way of disposal by CIL of the entire equity interest of 13 companies being the indirect wholly-owned subsidiaries of the Company incorporated in Hong Kong with limited liability and holding the Properties at the consideration of RMB39,500,000; as LIN has failed to settle any of the consideration payments despite repeated requests, a notice was served on LIN, terminating the letter of intent and reserving the right to seek compensation from LIN in respect of any loss suffered by the Group;

- (c) the investment agreement dated 29 September 2017 entered into amongst CIL and T-Box Union (China) Financial Holdings Investments Limited (“**T-Box Holdings**”) and T-Box Union Investments Limited (“**T-Box Investments**”) in relation to the establishment of Xingye Homestay Inn Union Limited (re-named as China Select Small Hotel Union Limited) (the “**JV company**”) to engage in the platform operation, investment and management of the homestay accommodation and hotels and other related business in the PRC, under which CIL will contribute HK\$6,120,000 to the JV Company (representing 51% of the total initial share capital), T-Box Holdings will contribute HK\$3,600,000 (representing 30% of the total initial share capital) and T-Box Investments will contribute HK\$2,280,000 (representing 19% of the total initial share capital); and
- (d) the JV Agreement.

## **6. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## **7. DIRECTORS’ SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the Group within one (1) year without payment of compensation (other than statutory compensation).

## **8. GENERAL**

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The branch share registrar of the Company is Tricor Progressive Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (c) The company secretary of the Company is Mr. Lo Tai On, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong from the date of this circular up to and including 11 January 2018:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the three financial years ended 31 December 2014, 2015 and 2016 respectively;
- (c) the interim report of the Company for the six months ended 30 June 2017;
- (d) the material contracts referred to in the section headed “*Material contracts*” in this appendix;
- (e) this circular.