

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China Investment Fund International Holdings Limited, you should at once hand the Prospectus Documents to the purchaser, the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agents through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Dealings in the Offer Shares may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of these documents.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, 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 Prospectus.



—CIFI—
中投國際

CHINA INVESTMENT FUND INTERNATIONAL HOLDINGS LIMITED

中國投資基金國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 612)

**OPEN OFFER ON THE BASIS OF ONE (1) OFFER SHARE
FOR EVERY TEN (10) EXISTING SHARES
HELD ON THE RECORD DATE**

Underwriter to the Open Offer



Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus unless the context requires otherwise. The Latest Time for Acceptance is at 4:30 p.m. on Monday, 5 June 2017. The procedures for application and payment for the Offer Shares are set out on pages 11 to 13 of this Prospectus.

If the Underwriting Agreement is terminated by the Underwriter on or before the Latest Time for Termination or does not become unconditional, the Open Offer will not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealings in the Shares and if they are in any doubt about this Prospectus, they should consult their professional advisers. It should be noted that the Shares have been dealt in on an ex-entitlement basis from Wednesday, 10 May 2017, and the dealings in Shares will take place whilst conditions to which the Open Offer is subject remained unfulfilled. Any dealings in the Shares up to the date on which all the conditions of the Open Offer are fulfilled (which is expected to be on Tuesday, 6 June 2017) will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are recommended to consult their professional advisers.

* For identification purpose only

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DEFINITIONS

In this Prospectus, the following expressions have the meanings set out below unless the context requires otherwise:

“Application Form(s)”	the form(s) of application to be issued to the Qualifying Shareholders to apply for the Offer Shares for their Shareholders’ assured entitlement under the Open Offer in agreed form
“Articles”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“business day(s)”	any day (other than a Saturday or Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
“Company”	China Investment Fund International Holdings Limited 中國投資基金國際控股有限公司* (formerly known as China Investment Fund Company Limited 中國投資基金有限公司), a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Offer Shares
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	25 April 2017, being the last trading day of the Shares on the Stock Exchange immediately preceding the date of the Underwriting Agreement
“Latest Practicable Date”	15 May 2017, being the latest practicable date prior to the date of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:30 p.m. on Monday, 5 June 2017 or such other date and/or time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the application and payment for the Offer Shares
“Latest Time for Termination”	4:30 p.m. on the business day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) whom the Board, after making enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant overseas regulatory bodies or stock exchanges, considers it necessary or expedient to exclude them from the Open Offer
“Offer Share(s)”	110,702,000 new Shares to be allotted and issued pursuant to the Open Offer

DEFINITIONS

“Open Offer”	the proposed issued of Offer Shares by the Company on the basis of one (1) Offer Share for every ten (10) existing Shares at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Optionholders”	the holders of the 70,905,520 outstanding Options
“Options”	the options issued or to be issued under the Share Option Scheme
“Option Shares”	a maximum of 70,905,520 new Shares to be allotted and issued upon the exercise of all the outstanding 70,905,520 Options
“Overseas Shareholder(s)”	the Shareholder(s) with registered addresses in the register of members of the Company as at the close of business on the Record Date which are outside Hong Kong
“Posting Date”	19 May 2017 or such later date as may be agreed between the Underwriter and the Company, being the date for the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	a prospectus containing details of the Open Offer to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	collectively, the Prospectus, the Application Form(s) and the EAF(s)
“Qualifying Shareholder(s)”	Shareholder(s) whose names appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	18 May 2017 or such other date as may be agreed between the Company and the Underwriter, being the date for the determination of the entitlements under the Open Offer

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	existing share(s) of HK\$0.05 each in the share capital of the Company
“Share Option Scheme”	the existing share option scheme adopted by the Company pursuant to a resolution of the then Shareholders passed on 27 June 2011
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.56 per Offer Share
“Underwriter”	SBI China Capital Financial Services Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the sole underwriter of the Open Offer
“Underwriting Agreement”	the underwriting agreement dated 26 April 2017 and entered into between the Company and the Underwriter in relation to the Open Offer
“Underwritten Shares”	the Offer Shares which are fully underwritten by the Underwriters pursuant to the terms and conditions set out in the Underwriting Agreement
“HK\$”	Hong Kong dollars
“%”	per cent.

The English language version of this Prospectus has been translated into the Chinese language and English and Chinese versions of this Prospectus are being published separately. If there should be any inconsistency between the English and Chinese versions, the English version shall prevail.

EXPECTED TIMETABLE

The expected timetable for the Open Offer and the relevant trading arrangement is set out below:

Event	2017
Latest time for acceptance of application and payment for the Offer Shares and application for excess Offer Shares	4:30 p.m., on Monday, 5 June
Latest time for termination of the Underwriting Agreement	4:30 p.m., on Tuesday, 6 June
Announcement of the allotment results of the Open Offer	Monday, 12 June
Share certificates for the Offer Shares and refund cheques to be despatched on or before	Tuesday, 13 June
Dealings in fully-paid Offer Shares commence on the Stock Exchange	9:00 a.m., on Wednesday, 14 June

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Monday, 5 June 2017, being the date of the Latest Time for Acceptance:

- (i) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Time for Acceptance will be postponed to 5:00 p.m. on the same business day; or
- (ii) at any time between 12:00 noon and 4:00 p.m., the Latest Time for Acceptance will be postponed to 4:00 p.m. on the next business day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Monday, 5 June 2017, the dates mentioned in the above section headed “Expected timetable” in this Prospectus may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

If any time prior to the Latest Time for Termination:

- (1) the success of the Open Offer would be materially and adversely affected by the development, occurrence or enforcement of:
 - (a) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the financial position of the Group as a whole;
 - (b) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the reasonable opinion of the Underwriter is or would be materially adverse to the success of the Open Offer;
 - (c) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Underwriter is or would be materially adverse to the success of the Open Offer, or makes it impracticable or inadvisable or inexpedient to proceed therewith;
 - (d) any suspension of dealings in the Shares for any period longer than ten consecutive business days after the date of the Underwriting Agreement (other than as a result of the Open Offer); or
 - (e) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Latest Time for Termination; or
- (2) any breach of any of the representations, warranties or undertakings in any material respect by the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (3) any event occurs or any matter arises on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect in such a manner as would in the absolute opinion of the Underwriter materially and adversely affect the financial position or business of the Group as a whole; or
- (4) there is any such material adverse change in the general affairs, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which in the absolute opinion of the Underwriter is materially adverse to the success of the Open Offer, or
- (5) there is any change in the composition of the Board which in the reasonable opinion of the Underwriter may affect the management and general affairs of the Company; the Underwriter shall be entitled, by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.

LETTER FROM THE BOARD



—CIFIL—
中投國際

CHINA INVESTMENT FUND INTERNATIONAL HOLDINGS LIMITED

中國投資基金國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 612)

Executive Directors:

Mr. Luk Hong Man, Hammond

Mr. Zhang Xi

Non-executive Directors:

Mr. Sui Guangyi (Chairman)

Mr. Wang Mengtao

Mr. Leung Ka Fai

Independent Non-executive Directors:

Ms. Jing Siyuan

Mr. Zhang Aimin

Mr. Zhang Qiang

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business in Hong Kong:

Units 6602-03, Level 66

International Commerce Centre

1 Austin Road West

Kowloon

Hong Kong

19 May 2017

To the Qualifying Shareholders

and, for information only, the Non-Qualifying Shareholders

Dear Sir or Madam,

OPEN OFFER ON THE BASIS OF ONE (1) OFFER SHARE FOR EVERY TEN (10) EXISTING SHARES HELD ON THE RECORD DATE

INTRODUCTION

On 26 April 2017, the Company announced that it proposed to raise not less than approximately HK\$62.0 million and not more than approximately HK\$66.0 million before expenses by issuing not less than 110,702,000 Offer Shares and not more than 117,792,552 Offer Shares at the Subscription Price of HK\$0.56 per Offer Share on the basis of one (1) Offer Share for every ten (10) existing Shares held on the Record Date and payable in full on application. The Open Offer is only available to the Qualifying Shareholders. Excess applications for the Offer Shares may be made by the Qualifying Shareholders.

* For identification purpose only

LETTER FROM THE BOARD

As at the Record Date, the Company had 1,107,020,000 Shares in issue. As such, on the basis of one Offer Share for every ten existing Shares held on the Record Date, 110,702,000 Offer Shares will be allotted and issued by the Company under the Open Offer. The Offer Shares under the Open Offer are fully underwritten by the Underwriter.

The purpose of this Prospectus is to provide you with, among other things, further details of (i) the Open Offer; (ii) the financial information of the Group; and (iii) the general information of the Group.

OPEN OFFER

Issue Statistics

Basis of the Open Offer	:	One (1) Offer Share for every ten (10) existing Shares held on the Record Date
Number of Shares in issue as at the Record Date	:	1,107,020,000 Shares
Number of Offer Shares	:	110,702,000 Offer Shares
Aggregate nominal value of the Offer Shares	:	HK\$5,535,100
Subscription Price	:	HK\$0.56 per Offer Share
Number of Offer Shares to be underwritten by the Underwriter	:	110,702,000 Offer Shares (i.e. all of the Offer Shares)
Number of Shares in issue immediately after completion of Open Offer	:	1,217,722,000 Shares

As at the Latest Practicable Date, save for the outstanding 70,905,520 Options, the Company does not have any outstanding derivatives, options, warrants or securities in issue which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

The Open Offer is not subject to any Shareholders' approval and the Offer Shares are not issued under the general mandate granted to the Directors.

Subscription Price

The Subscription Price of HK\$0.56 per Offer Share will be payable in full upon application for the Offer Shares under the Open Offer. The Subscription Price represents:

- (1) a discount of approximately 20.0% to the closing price of HK\$0.70 per Share as quoted on the Stock Exchange on the date of the Underwriting Agreement;
- (2) a discount of approximately 20.0% to the average of the closing prices of approximately HK\$0.70 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (3) a discount of approximately 16.4% to the theoretical ex-entitlement price of approximately HK\$0.67 per Share as adjusted for the effects of the Open Offer, based on the closing price of HK\$0.68 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (4) a premium of approximately 700.0% over the audited consolidated net asset value per Share of approximately HK\$0.07 based on the latest audited net asset value attributable to owners of the Company as at 31 December 2016 and the Shares in issue as at the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other factors, the market price and trading liquidity of the Shares under the prevailing market conditions as well as the recent financial conditions of the Group. The Directors (including the independent non-executive Directors) consider the terms of the Open Offer, including the determination of the Offer Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Open Offer offers each Qualifying Shareholder the opportunity to maintain its respective pro rata shareholdings in the Company and enable them to participate in the future growth of the Group. The net price (after deducting the relevant expenses) per Offer Share will be approximately HK\$0.545.

Qualifying Shareholders

The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus, for information only, to the Non-Qualifying Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date, and not be a Non-Qualifying Shareholder.

LETTER FROM THE BOARD

In order for a transferee of Share(s) to be registered as a Shareholder on the Record Date, a transfer of Share(s) (together with the relevant share certificates) must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Thursday, 11 May 2017.

The invitation to apply for the Offer Shares to be made to the Qualifying Shareholders will not be transferable or capable of renunciation and there will not be any trading of entitlements of the Offer Shares on the Stock Exchange.

Closure of register of members

The register of members of the Company will be closed from Friday, 12 May 2017 to Thursday, 18 May 2017, both days inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this book closure period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Company will only send the Prospectus to the Non-Qualifying Shareholders for their information.

As at the Record Date and except for certain Overseas Shareholders with addresses in the PRC on the register of members of the Company, none of the Shareholders as recorded on the register of members of the Company had address(es) which is/are outside Hong Kong.

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries with its PRC legal advisers regarding the possibility of extending the Open Offer to Shareholders in the PRC. Based on the legal opinion obtained from the Company's PRC legal advisers, there is no legal restriction on extending the Open Offer to Shareholders in the PRC or requirements for (i) obtaining approval from any governmental or other authorities in the PRC or (ii) the registration or filing of the Prospectus Documents in the PRC in respect of the Open Offer under the applicable laws of the PRC. Accordingly, the Board has decided that the Open Offer will be available to Shareholders in the PRC and there will be no Non-Qualifying Shareholders in the Open Offer.

Status of the Offer Shares

The Offer Shares when allotted, issued and fully paid, shall rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment and issue of the Offer Shares, including the right to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

LETTER FROM THE BOARD

Procedures for acceptance and payment

For each Qualifying Shareholder, an Application Form is enclosed with this Prospectus which entitles you to subscribe for the number of the Offer Shares shown therein.

If you wish to exercise your right to subscribe for all the Offer Shares allotted on an assured basis to you as specified in the Application Form, you must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Monday, 5 June 2017. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "CHINA INVESTMENT FUND INTERNATIONAL HOLDINGS LIMITED – OPEN OFFER ACCOUNT" and crossed "Account Payee Only".

It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Monday, 5 June 2017, the relevant assured allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Offer Shares will be available for application by the Qualifying Shareholders through the Excess Application Form. The Application Form contains full information regarding the procedures to be followed for acceptance of the whole or part of your assured allotment.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgement of the Application Form together with a cheque or cashier's order in payment for the Offer Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. Any Application Form in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the relevant assured allotment of Offer Shares and all rights thereunder will be deemed to have been declined and will be cancelled.

No receipt will be issued in respect of any application monies received.

Application for excess Offer Shares

The Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled, any entitlement of the Offer Shares which have not been accepted by the Qualifying Shareholders, and the Offer Shares created by aggregation of fractional Offer Shares, will be available for excess application by the Qualifying Shareholders. The Qualifying Shareholders are entitled to apply for any Offer Shares in excess of their own entitlements by completing an EAF, but are not assured of being allocated any Offer Shares in excess of their entitlements under the Application Form.

LETTER FROM THE BOARD

The Company will allocate the excess Offer Shares of assured entitlement at their discretion on a fair and equitable basis and on a pro-rata basis to excess Offer Shares being applied for under each application. The basis of allocation of such excess Offer Shares will be disclosed in the Prospectus.

However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares. Any Offer Shares not applied for by the Qualifying Shareholders and not taken by excess application will be taken up by the Underwriter.

The Application Form and the EAF will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to accept the Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Application may be made only by the Qualifying Shareholders by completing an EAF and lodging the same with a separate remittance for the excess Offer Shares being applied for, with the Company's Hong Kong branch share registrar and transfer office, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Monday, 5 June 2017. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "CHINA INVESTMENT FUND INTERNATIONAL HOLDINGS LIMITED – EXCESS APPLICATION ACCOUNT" and crossed "Account Payee Only".

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to beneficial owners of the Shares individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Shareholders whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company prior to the Record Date must lodge all necessary documents with the Company's branch share registrar and transfer office in Hong Kong for completion of the relevant registration by 4:30 p.m. on Thursday, 11 May 2017.

Fractions of Offer Shares

The Company will not allot and will not accept applications for any fractions of Offer Shares. All fractions of the Offer Shares will be aggregated (and rounded down to the nearest whole number). Any Offer Shares created from the aggregation of fractions of the Offer Shares will be available for excess application by the Qualifying Shareholders. Should there be no excess application by the Qualifying Shareholders, those Offer Shares created from the aggregation of fractions of the Offer Shares will be taken up by the Underwriter.

LETTER FROM THE BOARD

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Offer Shares on the Stock Exchange may be settled through CCASS. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

The offer shares will have the same board lot size of 8,000 shares per board lot.

Share Certificates for Offer Shares and refund cheques

Subject to the fulfillment of the conditions of the Open Offer as set out in the section headed "Conditions of the Open Offer" below, share certificates for all fully-paid Offer Shares (including the excess Offer Shares, if any) are expected to be posted on or before Tuesday, 13 June 2017 by ordinary post to the Qualifying Shareholders who have validly accepted and (where applicable) applied for, and paid for the Offer Shares at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for Offer Shares (including the excess Offer Shares, if any) are also expected to be posted on or before Tuesday, 13 June 2017 by ordinary post at their own risk. Each Qualifying Shareholder will receive one share certificate for all the fully-paid Offer Shares issue to him/her/it.

LETTER FROM THE BOARD

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 26 April 2017

Issuer: The Company

Underwriter: SBI China Capital Financial Services Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its associates are Independent Third Parties

Number of Offer Shares: Not less than 110,702,000 Offer Shares and not more than 117,792,552 Offer Shares

Number of Underwritten Shares: Not less than 110,702,000 Offer Shares and not more than 117,792,552 Offer Shares

The Open Offer is fully underwritten by the Underwriter.

Commission: HK\$750,000

The commission was determined between the Company and the Underwriter by reference to the market rate. The Directors (including the independent non-executive Directors) consider the terms of the Underwriting Agreement including the commission to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Rescission and termination of the Underwriting Agreement

If any time prior to the Latest Time for Termination:

- (1) the success of the Open Offer would be materially and adversely affected by the development, occurrence or enforcement of:
 - (a) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Underwriter has or is likely to have a material adverse effect on the financial position of the Group as a whole;
 - (b) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the reasonable opinion of the Underwriter is or would be materially adverse to the success of the Open Offer;

LETTER FROM THE BOARD

- (c) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or exchange controls which in the reasonable opinion of the Underwriter is or would be materially adverse to the success of the Open Offer, or makes it impracticable or inadvisable or inexpedient to proceed therewith;
 - (d) any suspension of dealings in the Shares for any period longer than ten consecutive business days after the date of the Underwriting Agreement (other than as a result of the Open Offer); or
 - (e) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Latest Time for Termination; or
- (2) any breach of any of the representations, warranties or undertakings in any material respect by the Company contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
 - (3) any event occurs or any matter arises on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings contained in the Underwriting Agreement untrue or incorrect in any material respect in such a manner as would in the absolute opinion of the Underwriter materially and adversely affect the financial position or business of the Group as a whole; or
 - (4) there is any such material adverse change in the general affairs, management, business, stockholders' equity or in the financial or trading position of the Group as a whole which in the absolute opinion of the Underwriter is materially adverse to the success of the Open Offer, or
 - (5) there is any change in the composition of the Board which in the reasonable opinion of the Underwriter may affect the management and general affairs of the Company;

the Underwriter shall be entitled, by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, the Open Offer will not proceed.

LETTER FROM THE BOARD

CONDITIONS OF THE OPEN OFFER

The obligations of the Underwriter under the Underwriting Agreement are conditional on the following conditions precedent having been fulfilled:

- (1) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Posting Date and otherwise in compliance with the Listing Rules and the section 342C of the Companies Ordinance;
- (2) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus (without the Application Form or the EAF) stamped "For Information Only" to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Posting Date;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Shares and the Offer Shares, either unconditionally or subject to such conditions which the Underwriter in its opinion accepts and satisfies (if any);
- (4) compliance with and performance of all undertakings and obligations of the Company hereunder;
- (5) the obligations of the Underwriter under this Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement;
- (6) none of the representations, warranties and undertakings set out in the Underwriting Agreement being breached, untrue, inaccurate or misleading in any material respect; and
- (7) (if necessary) compliance with any other requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

If the conditions are not satisfied by the Latest Time for Termination, the Underwriting Agreement shall terminate and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any rights or obligations which may accrue under the Underwriting Agreement prior to such termination.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN THE SHARES

The Open Offer is conditional upon, among others, the Underwriting Agreement becoming unconditional and the Underwriter not terminating the Underwriting Agreement in accordance with its terms. Accordingly, the Open Offer may or may not proceed. Shareholders should also note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 10 May 2017 and that dealings in such Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in such Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is currently expected to be Tuesday, 6 June 2017) will accordingly bear the risk that the Open Offer does not become unconditional and may not proceed. Shareholders and potential investors are advised to exercise due caution when dealing with the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE OPEN OFFER

The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and the possible changes upon completion of the Open Offer, on the basis of the public information available to the Company on the Latest Practicable Date, after the Directors having making reasonable enquiries and assuming that there is no change in the shareholding structure of the Company since the Latest Practicable Date to the date immediately after completion of the Open Offer:

	As at the Latest Practicable Date		Immediately after completion of the Open Offer (assuming all Qualifying Shareholders fully take up their respective entitlements)		Immediately after completion of the Open Offer (assuming none of the Qualifying Shareholders take up their respective entitlements)	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
HK DYF Int'l Holding Group Limited (Note 1)	180,104,000	16.3	198,114,400	16.3	180,104,000	14.8
Mr. Sui Guangyi (Note 2)	135,984,000	12.3	149,582,400	12.3	135,984,000	11.2
The Underwriter	-	-	-	-	110,702,000	9.1
Public Shareholders	790,932,000	71.4	870,025,200	71.4	790,932,000	64.9
Total	1,107,020,000	100.0	1,217,722,000	100.0	1,217,722,000	100.0

Notes:

- (1) HK DYF Int'l Holding Group Limited is held as to 74.55% by Shenzhen Ding Yi Feng Assets Management Co., Ltd., which is in turn held as to 29.39% by Mr. Sui Guangyi.
- (2) Mr. Sui Guangyi is a non-executive Director.

LETTER FROM THE BOARD

FUND-RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS IMMEDIATELY PRECEDING THE ANNOUNCEMENT

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Group is principally engaged in investing in listed and unlisted securities.

The Open Offer allows the Group to strengthen its balance sheet without facing the increasing interest rates and enlarge the capital base of the Company, which may facilitate long-term development of the Group. The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to rights issue. Although rights issue can provide a way out to those Shareholders who do not wish to take up the entitlements by selling nil-paid rights, in view of the relatively inactive historical trading volume of the Shares, there is uncertainty of existence of a market to trade in the nil-paid rights. Also, the theoretical ex-entitlement price of approximately HK\$0.67 per Share as adjusted for the effects of the Open Offer, based on the closing price of HK\$0.68 per Share as quoted on the Stock Exchange on the Last Trading Day, means the Qualifying Shareholders may not be able to benefit from selling nil-paid rights after taking into account the transaction expenses. On the other hand, the Board considers that the Open Offer is in the interest of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their pro rata shareholding interests in the Company and continue to participate in the future development of the Company should they wish to do so. Having considered and balanced against the extra administrative work and additional cost which will be involved for the trading arrangement of nil-paid rights, and given that all Qualifying Shareholders can have an equal opportunity to maintain their interests in the Company, the Directors are of the view that raising funds by way of the Open Offer is a better option and the Open Offer is in the interest of the Company and the Shareholders as a whole. In view of the above, the Directors (including the independent non-executive Directors) considered that raising funds by way of the Open Offer is more cost effective and efficient and beneficial to the Company and its Shareholders as a whole than a rights issue.

The gross proceeds of the Open Offer (before expenses) will be approximately HK\$62.0 million and the estimated net proceeds of the Open Offer (after deducting the costs and expenses in relation to the Open Offer and the underwriting commission fees) will be approximately HK\$60.3 million. The Company intends to apply the proceeds from the Open Offer for future investment activities when such investment opportunities arise and for working capital purposes. Although there is no specific investment target identified as at the Latest Practicable Date, the Company intends to invest in stock and future markets which would provide an opportunity to the Group to broaden its revenue base. The Company will continue to identify any investment opportunities which offer reasonable returns and fall within the acceptance risk profile and manage the investment portfolio in accordance with the Company's investment objective and policy.

LETTER FROM THE BOARD

ADJUSTMENTS IN RELATION TO THE OPTIONS

Pursuant to the terms of the Share Option Scheme, the number or nominal amount of Shares comprised in each Option and/or the exercise price of the Options will be adjusted in accordance with such scheme upon the Open Offer having become unconditional. Such adjustments will be verified by the auditors of the Company and the Company will notify holders of the Options such adjustments upon the Open Offer having become unconditional. Further announcement will be made by the Company in relation to details of such adjustments.

GENERAL

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within 12 month period immediately preceding the date of the Underwriting Agreement, pursuant to Rule 7.24(5) of the Listing Rules, the Open Offer itself is not subject to the Shareholders' approval.

The Company will send the Prospectus Documents containing, among other things, the Prospectus setting out details of the Open Offer, the Application Form(s) and the EAF(s) to the Qualifying Shareholders. The Prospectus, but not the Application Form(s) and the EAF(s), will be sent to the Non-Qualifying Shareholders (if any) for their information only.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information of the Group set out in the appendices to this Prospectus.

By order of the Board
China Investment Fund International Holdings Limited
Luk Hong Man, Hammond
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2016 was disclosed on (i) pages 28 to 105 of the annual report of the Company for the year ended 31 December 2016; (ii) pages 29 to 99 of the annual report of the Company for the year ended 31 December 2015; and (iii) pages 20 to 69 of the annual report of the Company for the year ended 31 December 2014, all of which were published on both the Stock Exchange's website at <http://www.hkexnews.hk> and the Company's website at <http://www.cifund.com.hk>.

Hyperlinks to the annual reports of the Company are set out below:

Annual report of the Company for the year ended 31 December 2016

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0421/LTN20170421023.pdf>

Annual report of the Company for the year ended 31 December 2015

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0818/LTN20160818019.pdf>

Annual report of the Company for the year ended 31 December 2014

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0423/LTN20150423599.pdf>

2. STATEMENT OF INDEBTEDNESS

Borrowing

At the close of business on 30 April 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the publication of the Prospectus, the Group had outstanding (i) unsecured interest-bearing loan notes with principal amount of HK\$42.5 million, which bear interest at the rate of 5% per annum, are repayable over five years; (ii) unsecured interest-bearing bond payables with principal amount of HK\$15.5 million, which bear interest rate ranging from 12% to 18% per annum. Of the interest-bearing bonds payable with principal amount of HK\$14.5 million and HK\$1 million are repayable within one year and over one year respectively; (iii) unsecured other loan of HK\$8 million, which bears interest at the rate of 12% per annum, is repayable within one year and (iv) unsecured advance from a shareholder of the Company of approximately HK\$38 million is non-interest bearing. Approximately HK\$11.7 million is repayable on demand and approximately HK\$26.3 million is repayable over one year.

Capital commitments

At the close of business on 30 April 2017, the Group has outstanding capital commitments for the acquisition of property, plant and equipment of approximately HK\$3,846,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business at the close of business on 30 April 2017, the Group did not have any other outstanding bank or other borrowings, mortgages, charges, debentures or other loan capital, bank overdrafts, loans or other similar indebtedness, guarantee, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase or other finance lease commitments or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account (i) the internally generated fund; and (ii) the estimated net proceeds from the Open Offer, the Group will have sufficient working capital for its present requirements for a period of at least 12 months from the date of the Prospectus.

4. MATERIAL ADVERSE CHANGES

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.

5. FINANCIAL AND TRADING PROSPECT

The Company is an investment company listed under Chapter 21 of the Listing Rules and together with its subsidiaries are principally engaged in investment in both listed and unlisted securities.

For the year ended 31 December 2016, the Group recorded a net loss of approximately HK\$123,448,000.

The economic environment for China this year becomes more challenging due to rising tensions in Northeast Asia, South China Sea, as well as the Middle East, which will have a significant impact on commodity prices and international trade. However, China's GDP is still expected to grow 6.5% in 2017, well above global average. Hence, the Directors will continue to take prudent strategies, such as investing in projects in China with strong growth prospect and favorable government policy, to manage our portfolio. Although there is no specific investment target identified as at the Latest Practicable Date, the Company intends to invest in stock and future markets which would provide an opportunity to the Group to broaden its revenue base. The Company will continue to identify any investment opportunities which offer reasonable returns and fall within the acceptance risk profile and manage the investment portfolio in accordance with the Company's investment objective and policy.

**(1) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED
NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2016 as if it had taken place on 31 December 2016.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 31 December 2016 or at any future date.

The following pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2016 derived from the published annual consolidated financial statements of the Group and adjusted to reflect the effect of the Open Offer.

	Consolidated net assets of the Group attributable to owners of the Company as at 31 December 2016 HK\$'000 (Note 1)	Adjustment for intangible assets HK\$'000	Consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2016 HK\$'000	Add: Estimated net proceeds from the Open Offer HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2016 HK\$'000
Based on 110,702,000 Offer Shares at Subscription Price of HK\$0.56 per Offer Share	75,298	(3,612)	71,686	60,300	131,986

HK\$

Consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2016 prior to the completion of the Open Offer (*Note 3*) 0.06

Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2016 after the completion of the Open Offer and taking no account of any exercise of the outstanding share options (*Note 4*) 0.11

Notes:

1. The consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2016 is arrived at based on the published 2016 annual report of the Company.
2. The estimated net proceeds from the Open Offer of approximately HK\$60.3 million are based on 110,702,000 Offer Shares to be issued at the Subscription Price of HK\$0.56 per Offer Share, after deduction of the estimated related expenses of approximately HK\$1.7 million.
3. The number of Shares used for the calculation of consolidated net tangible assets of the Group attributable to owners of the Company per Share as at 31 December 2016 prior to the completion of the Open Offer is based on 1,107,020,000 Shares in issue as at 31 December 2016.
4. The calculation of the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Shares as at 31 December 2016 after the completion of the Open Offer is based on 1,217,722,000 Shares after the completion of the Open Offer of 110,702,000 Offer Shares were completed as at 31 December 2016 and taking no account of any exercise of the outstanding share options.
5. Except for the Open Offer, no adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2016.

**(2) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON
THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountants, HLM CPA Limited, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in the Prospectus.

恒健會計師行有限公司**HLM CPA LIMITED****Certified Public Accountants**

Room 305, Arion Commercial Centre
2-12 Queen's Road West, Hong Kong.
香港皇后大道西2-12號聯發商業中心305室
Tel 電話: (852) 3103 6980
Fax 傳真: (852) 3104 0170
E-mail 電郵: info@hlm.com.hk

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A
PROSPECTUS****To the Directors of China Investment Fund International Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Investment Fund International Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The pro forma financial information consisted of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2016 and related notes as set out in Part 1 of Appendix II to the prospectus issued by the Company dated 19 May 2017 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are set out in Part 1 of Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed open offer on the basis of one Offer Share for every ten Shares held on the record date (the "**Open Offer**") on the Group's financial position as at 31 December 2016 as if the Open Offer had taken place at 31 December 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's published 2016 annual report.

**DIRECTORS' RESPONSIBILITIES FOR THE PRO FORMA FINANCIAL
INFORMATION**

The Directors are responsible for compiling the pro forma financial information in accordance with Paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANTS’ RESPONSIBILITIES

Our responsibility is to express an opinion, as required by Paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with Paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the pro forma financial information as disclosed pursuant to Paragraph 4.29(1) of the Listing Rules.

HLM CPA Limited

Certified Public Accountants

Yuen Suk Ching

Practising Certificate Number: P1107

Hong Kong

19 May 2017

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Open Offer (assuming no exercise of the Options and no new Shares (other than the Offer Shares) being allotted and issued and no Share being repurchased on or before completion of the Open Offer) are as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>4,000,000,000</u>	Shares of HK\$0.05 each	<u>200,000,000</u>
 <i>Issued and fully-paid or credited as fully paid:</i>		
1,107,020,000	Shares in issue as at the Latest Practicable Date	55,351,000
<u>110,702,000</u>	Offer Shares to be allotted and issued	<u>5,535,100</u>
<u>1,217,722,000</u>		<u>60,886,100</u>

All of the Offer Shares to be issued will rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Offer Shares. The Offer Shares to be issued will be listed on the Main Board of the Stock Exchange.

No part of the share capital or any equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange. Save for the application made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares to be issued, no other application is being made or is currently proposed or sought for the Shares or Offer Shares or any equity or debt securities of the Company to be listed or dealt in on the Stock Exchange or any other stock exchange.

As at the Latest Practicable Date, there were outstanding Options entitling the holders thereof to subscribe for an aggregate of 70,905,520 new Shares.

Save for the aforesaid Options, the Company had no other outstanding warrants, options or convertible securities in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

Save as disclosed above, as at the Latest Practicable Date, no share or loan capital of the Company or any member of the Group had been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares had been issued or granted or agreed conditionally, or unconditionally to be issued or granted, except for the Offer Shares.

3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN 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 executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which was otherwise 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") as contained in Appendix 10 to the Listing Rules, were as follows:

(i) Long positions in shares as at Latest Practicable Date

Name of Director	Capacity	Notes	Number of shares	Approximate percentage of shareholding
Sui Guangyi ("Mr. Sui")	Beneficial owner		135,984,000	12.28%
Mr. Sui	Interest of controlled corporation	(1)	180,104,000	16.27%

(ii) Long positions in underlying shares as at Latest Practicable Date

Name of Director	Capacity	Notes	Number of underlying shares	Approximate percentage of shareholding
Luk Hong Man, Hammond	Beneficial owner	(2)	11,070,200	1.00%
Zhang Xi	Beneficial owner	(2)	11,070,200	1.00%
Wang Mengtao	Beneficial owner	(3)	9,800,000	0.89%
Leung Ka Fai	Beneficial owner	(3)	9,800,000	0.89%
Mr. Sui	Beneficial owner	(3)	1,100,000	0.10%
Jing Siyuan	Beneficial owner	(3)	1,100,000	0.10%
Zhang Aimin	Beneficial owner	(3)	1,100,000	0.10%
Zhang Qiang	Beneficial owner	(3)	1,100,000	0.10%

Notes:

- (1) These shares are held by HK DYF Int'l Holding Group Limited, which is held as to 74.55% by Shenzhen Ding Yi Feng Assets management Co., Ltd. which is in turn held as to 29.39% by Mr. Sui. Mr. Sui is deemed to be interested in these shares by virtue of the SFO.
- (2) 765,120 share options were granted on 17 June 2015 at an exercise price of HK\$0.74 per share of the Company with exercise period from 17 June 2015 to 16 June 2025. 10,305,080 share options were granted on 15 November 2016 at an exercise price of HK\$0.82 per share of the Company with exercise period from 16 November 2016 to 15 November 2026.
- (3) These share options were granted on 15 November 2016 at an exercise price of HK\$0.82 per share of the Company with exercise period from 16 November 2016 to 15 November 2026.

Save for those disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, or required to be disclosed by the Takeovers Code.

4. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, the following persons (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Number of shares and underlying shares	Type of interest	Approximately percentage of issued share capital of the Company
HK DYF Int'l Holding Group Limited	180,104,000	Beneficial owner	16.27%
Shenzhen Ding Yi Feng Assets Management Co., Ltd. (Note 1)	180,104,000	Interest of controlled corporation	16.27%
Mr. Sui (Note 2)	317,188,000	Beneficial owner and interest of controlled corporation	28.65%

Notes:

- (1) Shenzhen Ding Yi Feng Assets Management Co., Ltd. is deemed to be interested in 180,104,000 shares through its controlling interest (74.55%) in HK DYF Int'l Holding Group Limited.
- (2) 180,104,000 of these shares are held by HK DYF Int'l Holding Group Limited, which is held as to 74.55% by Shenzhen Ding Yi Feng Assets Management Co., Ltd., which is in turn held as to 29.39% by Mr. Sui. Mr. Sui is deemed to be interested in these shares by virtue of the SFO.

Save as disclosed above, the Directors and chief executive of the Company are not aware, as at the Latest Practicable Date, of any person (who are not Directors and chief executive of the Company) who had an interest (or long position) or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

5. DIRECTORS' SERVICE CONTRACTS

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

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors, the controlling Shareholder and their respective close associates competes or may compete with the business of the Group and has or may have any other conflict of interest with the Group.

7. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date,

- (a) none of the Directors had any interest, either direct or indirect, in any assets which have, since 31 December 2016 (being the date to which the latest published audited consolidated accounts of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

8. MATERIAL CONTRACTS

The following contracts (being contracts not entered into in the ordinary course of business of the Group) have been entered into by the members of the Group after the date of two years immediately preceding the date of this Prospectus, and up to the Latest Practicable Date, and are or may be material:

- (i) the Underwriting Agreement; and
- (ii) the placing agreement dated 14 August 2015 entered into between the Company and Cheong Lee Securities Limited in relation to the placing of up to 183,000,000 new shares at the price of HK\$0.40 per placing share.

9. EXPERT AND CONSENT

The following is the qualification of the expert whose statements have been included in this Prospectus:

Name	Qualification
HLM CPA Limited (“HLM”)	Certified Public Accountants

HLM has given and has not withdrawn its written consent to the issue of the Prospectus with the inclusion herein of its report and references to its name and its report in the form and context in which they appear.

As at the Latest Practicable Date, HLM did not have any shareholding, directly or indirectly, in any member of the Group or any right or option, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, HLM did not have any direct or indirect interest in any assets which have 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 members 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.

10. LITIGATION

A Writ of Summons with an Indorsement of Claim dated 29 March 2016 has been issued in the High Court of Hong Kong in High Court Action 796 of 2016 by Yang Yan (“Ms. Yang”) as plaintiff against the Company and its subsidiary Grand Dragon Investment Development Limited (“Grand Dragon”) as defendants whereby the plaintiff claims against the defendants for the forfeiture of deposit for HK\$10,000,000 paid by the defendants. Service of the Writ of Summons and the Statement of Claim took place on respectively in May 2016 and August 2016. The outcome of the hearing in March 2017 of an application by the Company and Grand Dragon that the Writ of Summons and the Statement of Claim be struck out purely on the ground that the claims disclosed no reasonable cause of action based on the plaintiff’s pleaded claim was unsuccessful. Notwithstanding this, the Company and Grand Dragon will continue to strenuously contest the above legal proceedings and proceed with other procedural steps which may ultimately lead to a trial of the action. In addition, Grand Dragon as plaintiff will continue to pursue its claim under the Writ of Summons together with a Statement of Claim dated 12 October 2016 against Ms. Yang as defendant under High Court Action 2654 of 2016 for the return of the HK\$10 million paid to Ms. Yang.

Save as disclosed above, as at the Latest Practicable Date, the Group was not engaged in any litigation, arbitration or claim of material importance which is known to the Directors to be pending or threatened against any member of the Group.

11. CORPORATE INFORMATION

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of Business in Hong Kong	Unit 6602-03, Level 66 International Commerce Centre 1 Austin Road West Kowloon, Hong Kong
Auditor	HLM CPA Limited <i>Certified Public Accountants</i> Room 305 Arion Commercial Centre 2-12 Queen's Road West Hong Kong
Legal Advisers	<i>as to Hong Kong Law</i> Troutman Sanders 34/F., Two Exchange Square 8 Connaught Place Central Hong Kong
Principal Banker	DBS Bank (Hong Kong) Limited G/F, The Center 99 Queen's Road Central Hong Kong
Custodian	DBS Bank Ltd. Hong Kong Branch 18/F, The Center 99 Queen's Road Central Hong Kong
Share Registrar and transfer office in Hong Kong	Tricor Standard Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong

Company secretary	Ms. Hong Lai Ping (<i>HKICPA</i>) Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Authorised representatives	Mr. Luk Hong Man, Hammond Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
	Ms. Hong Lai Ping Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong

12. PARTICULARS OF DIRECTORS

Particulars of the Directors of the Company:

Name	Address
<i>Executive Directors</i>	
Mr. Luk Hong Man, Hammond	Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Mr. Zhang Xi	Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong

Name	Address
<i>Non-executive Directors</i>	
Mr. Sui Guangyi	Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Mr. Wang Mengtao	Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Mr. Leung Ka Fai	Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
<i>Independent non-executive Directors</i>	
Ms. Jing Siyuan	Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Mr. Zhang Aimin	Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong
Mr. Zhang Qiang	Unit 6602-03 Level 66 International Commerce Centre 1 Austin Road West Kowloon Hong Kong

Executive Directors

Mr. Luk Hong Man, Hammond (“**Mr. Luk**”), aged 36, was appointed as an executive Director on 21 July 2016. He is also currently the Chief Executive Officer, the Financial Controller of the Group and a member of the Nomination Committee and Risk Management Committee of the Board. Mr. Luk is a member of the Chartered Professional Accountants of Canada. Mr. Luk is also a fellow member of the Institute of Chartered Secretaries and Administrators, the Hong Kong Institute of Chartered Secretaries, the Hong Kong Institute of Directors and the Association of Chartered Certified Accountants respectively. Mr. Luk has a degree of bachelor of laws from the University of London and a degree of bachelor of commerce from the University of Alberta. Mr. Luk has over 15 years of experience in management accounting, financial control, internal audit and compliance with different companies in Canada and Hong Kong including the Group. Through joining the Group in July 2011 as an executive Director and financial controller and taking up additional duties as chief executive officer and a member of the risk management committee in April 2016, Mr. Luk has gained experience in investment management and corporate governance. Prior to joining the Group in July 2011, Mr. Luk had worked as an executive director and compliance officer in Media Asia Group Holdings Limited (stock code: 8075) and an executive officer in charge of the accounting and finance department in China Public Procurement Limited (stock code: 1094).

Mr. Luk does not have any relationships with any other directors, senior management or substantial or controlling Shareholders. Save as disclosed, Mr. Luk did not hold directorship in any other listed companies in Hong Kong or elsewhere during the last three years.

Mr. Zhang Xi (“**Mr. Zhang**”), aged 48, was appointed as an executive Director on 15 February 2013. He is also currently the Chief Investment Officer of the Group. He has over 16 years of experience in the financial sector. He is currently a Chartered Financial Analyst (CFA) charterholder. Mr. Zhang graduated with a bachelor’s degree in science (electrical engineering) from Shanghai Jiao Tong University in July 1991. Mr. Zhang obtained an International Master’s degree of Business Administration from York University in Canada in 1998. Mr. Zhang has been an independent non-executive director of Media Asia Group Holdings Limited (stock code: 8075) since September 2009 and was an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351) from March 2006 to July 2016.

Mr. Zhang does not have any relationships with any other directors, senior management or substantial or controlling Shareholders. Save as disclosed, Mr. Zhang did not hold directorship in any other listed companies in Hong Kong or elsewhere during the last three years.

Non-executive Directors

Mr. Sui Guangyi (“**Mr. Sui**”), aged 54, was appointed as a non-executive Director on 1 September 2015. He is also currently the Chairman of the Group and a member of the Investor Relations Committee of the Board. He is a legal representative and a director of 深圳市鼎益豐資產管理股份有限公司 (Shenzhen Ding Yi Feng Assets Management Co., Ltd.), the director of HK DYF Int’l Holding Group Limited, and a director of Singapore DYF Int’l Capital Management Pte. Ltd.

Mr. Sui did not hold directorship in any other listed companies in Hong Kong or elsewhere during the last three years. Save as disclosed, Mr. Sui does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Wang Mengtao (“**Mr. Wang**”), aged 43, was appointed as a non-executive Director on 31 October 2016. He is also currently the Vice-president of the Group and a member of the Investor Relations Committee of the Board. He is currently an assistant director of the Center of Taoism Business School* (禪道商學院) and a general manager of Shenzhen Zhi Chong Culture Broadcast Co., Ltd.* (深圳知崇文化傳播有限公司), which is a wholly-owned subsidiary and a non-wholly-owned subsidiary of Shenzhen Ding Yifeng Assets Management Co., Ltd.* (深圳市鼎益豐資產管理有限公司), a substantial shareholder of the Company, respectively.

Mr. Wang did not hold directorship in any other listed companies in Hong Kong or elsewhere during the last three years. Save as disclosed, Mr. Wang does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Mr. Leung Ka Fai (“**Mr. Leung**”), aged 38, was appointed as a non-executive Director on 31 October 2016. He is also currently a member of the Investor Relations Committee of the Board. He has been an independent non-executive Director of Rui Kang Pharmaceutical Group Investments Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8037) since 26 June 2013. Mr. Leung was employed by a law firm in Hong Kong as community service manager. He also worked in Beta Field Capital Limited as a business director from December 2011 to February 2012 and he has worked as the China Business director in Beta Field Capital Limited from April 2013 to September 2015. Mr. Leung has been a district council member of Sha Tin District Council since 2008. Mr. Leung has also been a committee member of Yunfu City of the Chinese People’s Political Consultative Conference* (中國人民政治協商會議雲浮市委員會) in the PRC since January 2013. Mr. Leung is currently a member of Sha Tin District of Fight Crime Committee (沙田區撲滅罪行委員會), a vice-president of Sha Tin East District in New Territories East Region of District Scout Council of Scout Association of Hong Kong (香港童軍總會新界東地域沙田東區區務委員會). Mr. Leung has been a director of Hong Kong Association For The Development of Western China Limited (香港中國西部發展促進會有限公司) since 2011. Mr. Leung obtained a Master of Arts degree in Chinese Language and Literature from The Hong Kong Polytechnic University in October 2008, a Postgraduate Diploma in Education (Teaching in Chinese) from Hong Kong Baptist University in November 2012 and a Master of Arts degree in Sociology from The Chinese University of Hong Kong in November 2014.

Mr. Leung did not hold directorship in any other listed companies in Hong Kong or elsewhere during the last three years. Save as disclosed, Mr. Leung does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Independent non-executive Directors

Ms. Jing Siyuan (“**Ms. Jing**”), aged 40, was appointed as an independent non-executive Director on 17 May 2016. She is also currently the chairman of the Audit Committee and Nomination Committee of the Board and a member of the Remuneration Committee and Risk Management Committee of the Board. She has been working as general manager in Shenzhen An Ping Tai Management Consulting Co., Ltd. (深圳市安平泰企業管理諮詢有限公司) since July 2015. Ms. Jing has been working as an internal control and financial consultant in Shenzhen Fronter Electronics Co., Ltd. (深圳市福浪電子有限公司), Shenzhen HiChipcom Electronics Co., Ltd. (深圳市海芝通股份有限公司), a company whose shares are listed on The National Equities Exchange and Quotations (company code: 837413) and Shenzhen Zhi Ling Wei Ye Technology Co., Ltd. (深圳志凌偉業股份有限公司), a company whose shares are listed on The National Equities Exchange and Quotations (company code: 834148) from August 2015 to August 2016. Ms. Jing graduated from Oxford Brookes University in the United Kingdom with a degree in Bachelor of Science (Applied Accounting) in July 2008. She graduated from Henan University in the PRC with a diploma in Chinese language and literature education in July 2001. Ms. Jing was admitted as a member of the Association of Chartered Certified Accountants (“**ACCA**”) in October 2013. She obtained the certificate of qualified secretary of board of directors from the Shenzhen Stock Exchange in April 2013. Ms. Jing qualified as an Accounting Technician of the ACCA in May 2004.

Ms. Jing does not have any relationships with any other directors, senior management or substantial or controlling Shareholders. Saved as disclosed, Ms. Jing did not hold directorship in any listed companies in Hong Kong or elsewhere during the last three years.

Mr. Zhang Aimin (“**Mr. Zhang AM**”), aged 40, was appointed as an independent non-executive Director on 22 July 2016. He is also currently a member of the Audit Committee and Nomination Committee of the Board and the chairman of the Remuneration Committee and Risk Management Committee of the Board. He is a director and chief executive officer of Zhejiang Xinyuan Education Consulting Limited (浙江心元教育諮詢有限公司), a company principally engaged in the business of providing education consultancy and training related services. Mr. Zhang AM has over 6 years experience in the education consultation fields. Mr. Zhang AM obtained a master of business administration from China Europe International Business School in September 2010 and a bachelor’s degree in international trade and economics from Beijing University in July 1999.

Mr. Zhang AM does not have any relationships with any other directors, senior management or substantial or controlling Shareholders. Saved as disclosed, Mr. Zhang AM did not hold directorship in any listed companies in Hong Kong or elsewhere during the last three years.

Mr. Zhang Qiang (“**Mr. Zhang**”), aged 31, was appointed as an independent non-executive Director, a member of the Audit Committee of the Board and the Chairman of the Investor Relations Committee of the Board on 1 November 2016. He is a practising lawyer qualified in the People’s Republic of China. Mr. Zhang has over 5 years experience in the practice of law in China. Mr. Zhang obtained his licence to practise law in China in February 2009 and a bachelor’s degree in law from Heilongjiang University in June 2007.

Mr. Zhang does not have any relationships with any other directors, senior management or substantial or controlling Shareholders. Mr. Zhang did not hold directorship in any listed companies in Hong Kong or elsewhere during the last three years.

13. MISCELLANEOUS

- (a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) In the event of inconsistency, the English texts of this Prospectus shall prevail over the Chinese texts thereof.

14. EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$1.7 million, which are payable by the Company.

15. LEGAL EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies Ordinance.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the sub-section headed “Expert and consent” in this Appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 6:00 p.m. on Monday to Friday) at the principal place of business of the Company in Hong Kong at Unit 6602-03, Level 66, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on any weekday other than public holidays, up to and including the Latest Time for Acceptance:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two financial years ended 31 December 2015 and 2016;
- (c) the written consent referred to in the sub-section headed “Expert and consent” in this Appendix;
- (d) the independent reporting accountant’s report on the unaudited pro forma financial information of the Group as set out in Appendix II to this Prospectus;
- (e) the material contracts disclosed in the sub-section headed “Material contracts” in this Appendix; and
- (f) the Prospectus Documents.

This appendix contains additional disclosures required under Rule 21.09 of the Listing Rules in connection with the listing document of an investment company.

INVESTMENT OBJECTIVES

The Company is an investment company incorporated in the Cayman Islands which is principally engaged in investment in both listed and unlisted securities. The investment objective of the Company is to achieve medium to long-term capital appreciation within the acceptable risk profile.

INVESTMENT POLICY AND RESTRICTIONS

The Company had adopted the following investment policies:

- (a) the Company may invest in any types of investments in accordance with the investment objectives, policies and restrictions adopted by the Company from time to time;
- (b) the Company may, in addition to investing in the form of equity or equity-related securities and debt instruments in listed and unlisted companies, invest in other financial products including but not limited to trade interest rate options, futures and other types of derivatives;
- (c) the Company shall engage in transactions in options and futures which are traded on recognized securities or futures exchanges and shall issue or purchase derivative financial products; and
- (d) under the Articles and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company:
 - (i) the Company shall not either on its own or in conjunction with any connected person, make legal, or effective, management control of any company or other entity in which it invests or owns or controls more than 30% (or such lower percentage as may from time to time be specified in the Takeovers Code and Mergers as being the level for triggering a mandatory general offer) of the voting rights in such company or entity, except in relation to wholly-owned subsidiaries of the Company, if any; and
 - (ii) the Company shall not invest in any company or entity, other than wholly-owned subsidiaries of the Company, if any, if such investment will result in more than 20% of the net asset value being invested in such company or entity as at the date the investment is made so as to ensure that a reasonable spread of investments and at all times be maintained by the Company.

The Company has to comply with investment restrictions (d)(i) and (d)(ii) above, in accordance with its Articles, and at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules.

DISTRIBUTION POLICY

It is the Board's intention to distribute any excess balance by way of dividend to the extent permitted by law, the memorandum and the articles. Dividends will only be paid to the extent that they are covered by net income received from underlying investments. Distribution will be made annually after the annual accounts of the Company are approved by the Shareholders but interim distribution may be made from time to time to Shareholders as appear to the Board to be justified by the position of the Company. Distributions will be made in HK\$.

TAXATION

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

BORROWING POWER

Pursuant to the provision of the Articles, the Articles empowers the Board to exercise all the powers of the Company to raise or borrow money and to issue debentures, bonds and other securities, provided that no borrowing may be made if it would result in the aggregate principal amount for the time being remaining undischarged of all moneys borrowed by the Company exceeding fifty per cent. (50%) of the latest available Net Asset Value at the time the borrowing is made without the approval of an ordinary resolution of the Shareholders at a general meeting.

The Shareholders at the Extraordinary General Meeting held on 31 October 2016 approved the borrowings in the aggregate of up to HK\$500,000,000.

INFORMATION ON THE INVESTMENT MANAGEMENT

The Company currently does not have an investment adviser, distribution Company, alternate custodian or an investment manager nor have any engagement with any investment advisor, distribution company or alternate custodian.

No Director or any of his/her associate, is or will become entitled to receive any part of any brokerage charged to the Company, or any re-allowance of other types on purchases charged to the Company.

RISKS RELATING TO THE COMPANY

As the Company is principally engaged in investment in both listed and unlisted securities. These investments will be subject to market fluctuations and to the risks inherent in all investments. Investors should also be aware that the Company's income and its net asset value are liable to be adversely affected by external factors beyond the control of the Company. As a result, income of the fund and its net asset value may therefore go down as well as go up, subject to the prevailing market conditions.

FOREIGN EXCHANGE POLICY

The exchange risk of the Group is minimal as the substantial assets and liabilities of the Group are denominated in Hong Kong dollars. The Group currently does not have any foreign currency hedging policy. However, the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

INVESTMENT PORTFOLIO

The followings are the details of the investments of the Group as at 31 December 2016, which include all listed and unlisted investments.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Particulars of investments in listed equity securities, unlisted equity securities and unlisted debt instruments held by the Group as at 31 December 2016 and 2015 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Listed equity securities, at fair value

Name of investee companies	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK\$	Market value HK\$	Unrealised gain/(loss) recognised HK\$	Net assets attributable to the Company HK\$'000	Dividend received/receivable during the year HK\$	% of gross assets of the Company
At 31 December 2016									
Kingbo Strike Limited	Cayman Islands	11,190,000	1.47%	12,976,745	3,916,500	(9,060,245)	7,657	—	2.63%

Notes:

- (a) As at 31 December 2016, the Group held listed equity securities, being 11,190,000 shares or approximately 1.47% equity interest in the Kingbo Strike Limited ("**Kingbo Strike**"), for a consideration of HK\$12,976,745 and which is principally engaged in the provision of electrical engineering services.

For the year ended 30 June 2016 the audited consolidated profit from ordinary activities attributable to owners of Kingbo Strike was approximately S\$2,486,000 (equivalent to approximately HK\$14,325,000) and the basic earnings per share was S0.61 cents (equivalent to approximately HK3.51 cents). At 30 June 2016, its audited consolidated net assets value attributable to owners of Kingbo Strike was approximately S\$90,401,000 (equivalent to approximately HK\$520,891,000). No dividend was received during the year.

The Directors conducted a review of the Group's available-for-sale financial assets during the year and determined that the fair value adjustment is based on quoted closing price of available-for-sale financial assets in an active market.

Unlisted equity securities, at fair value

Name of investee companies	Place of incorporation	Proportion of investee's capital owned	Cost HK\$	Fair value HK\$	Unrealised gain/(loss) recognised HK\$	Net assets attributable to the Company HK\$'000	Dividend received/receivable during the year HK\$	% of gross assets of the Company
At 31 December 2016								
Galaxy Automotive MS Inc.	Republic of Vanuatu	29%	27,975,000	15,210,000	(12,765,000)	1,793	—	10.21%
Mountain Gold Holdings Inc.	Republic of Vanuatu	6.4%	50,000,000	39,285,714	(10,714,286)	39,286	—	26.36%
			77,975,000	54,495,714	(23,479,286)			

Notes:

- (a) On 14 August 2015, the Group acquired 29% equity interest of Galaxy Automotive MS Inc. (“Galaxy AMS”) for a consideration of HK\$27,975,000. The vendor had irrevocably and unconditionally guaranteed to the Group that audited consolidated gross profit of the Galaxy AMS for the year ended 31 December 2016 shall be no less than HK\$6,500,000 (“Guaranteed Profit”).

Galaxy AMS is principally engaged in the research and development and manufacturing of high-quality auto parts as well as research and development and sales of automobile system solutions. Galaxy AMS’s current sales market includes China, Taiwan, Hong Kong and Macau.

As at 31 December 2016, the Directors of the Company had performed valuation assessment on Galaxy AMS. This was done with reference to the valuation report prepared by an independent valuer company using income-based approach, profit forecast and financial data provided by the management of Galaxy AMS, and taking into account the Guaranteed Profit provided by the vendor of Galaxy AMS. On this basis, the Directors considered the fair value of the Group’s investment in Galaxy AMS as at 31 December 2016 was HK\$15,210,000 and a fair value loss on revaluation of AFS financial assets of HK\$713,000 was recognised in the other comprehensive income.

- (b) On 19 October 2015, the Group acquired 6.4% equity interest in Mountain Gold Holdings Inc. (“Mountain Gold”) at a consideration of HK\$50,000,000. Mountain Gold indirectly holds a mining license called Jinping Country Jinchangxi-Bize Gold Mine (“Mining License”) and an exploration license called Jinping County Shierpan Gold Detailed Exploration Property (“Exploration License”), both located in Guizhou Province, the PRC, which are the sole and only assets of the Mountain Gold and which are the only subjects being valued in the valuation of Mountain Gold.

As at 31 December 2016, the Directors of the Company had performed valuation assessment on its investment in Mountain Gold with reference to the valuation report by an independent valuer company using market approach. The fair value of the Group’s investment in Mountain Gold was valued HK\$39,285,714 and therefore a fair value loss on revaluation of AFS financial assets of HK\$12,928,920 was recognised in other comprehensive income.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Name of investee companies	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK\$	Market value HK\$	Unrealised gain/(loss) recognised HK\$	Net assets attributable to the Company HK\$'000	Dividend received/receivable during the year HK\$	% of gross assets of the Company
At 31 December 2016									
Newtree Group Holdings Limited	Cayman Islands	5,168,000	0.22%	1,494,463	2,454,800	960,337	694	—	1.65%
Tech Pro Technology Development Limited	Cayman Islands	16,700,000	0.24%	28,337,612	3,072,800	(25,264,812)	1,907	—	2.06%
Zhidao International (Holdings) Limited	Cayman Islands	30,360,000	1.53%	38,248,211	18,519,600	(19,728,611)	7,031	—	12.43%
WLS Holdings Limited	Cayman Islands	98,980,000	0.78%	29,722,944	22,765,400	(6,957,544)	6,251	—	15.28%
				97,803,230	46,812,600	(50,990,630)			

Notes:

- (a) As at 31 December 2016, the Group held listed equity securities, being 5,168,000 shares or 0.22% equity interest in the Newtree Group Holdings Limited (“**Newtree**”), for a consideration of HK\$1,494,463 and which is principally engaged in manufacturing and trading of clinical and household hygienic disposables and trading of related raw materials, trading of coal products, wholesale and retail of household consumables, sales and distribution of jewelries and watches, design and development of three-dimensional animations, augmented reality technology application and e-learning web application and provision of educational technology solutions through online education programs and provision of English language proficiency tests.

For the year ended 31 March 2016, the audited consolidated loss from ordinary activities attributable to owners of Newtree was approximately HK\$300,941,000 and the basic loss per share was HK31.5 cents. At 31 March 2016, its audited consolidated net assets value attributable to owners of Newtree was approximately HK\$315,574,000. No dividend was received during the year.

- (b) As at 31 December 2016, the Group held listed equity securities, being 16,700,000 shares or 0.24% equity interest in the Tech Pro Technology Development Limited (“**Tech Pro**”), for a consideration of HK\$28,337,612 and which is principally engaged in the manufacturing and sales of LED lighting products and LED lighting parts.

For the year ended 31 December 2016, the audited consolidated loss from ordinary activities attributable to owners of Tech Pro was approximately RMB271,747,000 (equivalent to approximately HK\$303,425,000) and the basic loss per share was RMB2.99 cents (equivalent to approximately HK3.58 cents). At 31 December 2016, its audited consolidated net assets value attributable to owners of Tech Pro was approximately RMB711,541,000 (equivalent to approximately HK\$794,485,000). No dividend was received during the year.

- (c) As at 31 December 2016, the Group held listed equity securities, being 30,360,000 shares or 1.53% equity interest in the Zhidao International (Holdings) Limited (“**Zhidao**”), for a consideration of HK\$38,248,211 and which is principally engaged in trading of aluminium products, supply of aluminium products in the construction projects and the operation of money lending business.

For the year ended 31 March 2016, the audited consolidated loss from ordinary activities attributable to owners of Zhidao was approximately HK\$73,673,000 and the basic loss per share was HK3.98 cents. At 31 March 2016, its audited consolidated net assets value attributable to owners of Zhidao was approximately HK\$459,515,000. No dividend was received during the year.

- (d) As at 31 December 2016, the Group held listed equity securities, being 98,980,000 shares or 0.78% equity interest in the WLS Holdings Limited (“**WLS**”), for a consideration of HK\$29,722,944 and which is principally engaged in provision of scaffolding and fitting out services, management contracting services, and other services for construction and buildings work, money lending business and securities investment business.

For the year ended 30 April 2016, the audited consolidated loss from ordinary activities attributable to owners of WLS was approximately HK\$18,197,000 and the basic loss per share was HK0.23 cents. At 30 April 2016, its audited consolidated net assets value attributable to owners of WLS was approximately HK\$801,365,000. No dividend was received during the year.