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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your securities in **National Investments Fund Limited** (the “Company”), you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached hereto the written consent referred to under the paragraph headed “Expert and Consent” in appendix IV to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

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.

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# NationalInvestments

## National Investments Fund Limited

### 國盛投資基金有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 1227)

## RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

Underwriter of the Rights Issue



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Shareholders and potential investors of the Company should note the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “TERMINATION OF THE UNDERWRITING AGREEMENT” on pages i to ii and 19 to 20 of this Prospectus). Accordingly, the Rights Issue may or may not proceed.

It should be noted that the Shares have been dealt in on an ex-entitlement basis since Tuesday, 28 November 2017. Dealings in the Rights Shares in their nil-paid form are expected to take place from Monday, 11 December 2017 to Monday, 18 December 2017 (both dates inclusive). Any person contemplating buying or selling of the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and dealings in the Rights Shares in their nil-paid form between Monday, 11 December 2017 to Monday, 18 December 2017 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. Investors should seek professional advice regarding dealings in the Shares and nil-paid Rights Shares if they are in any doubt.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 21 December 2017. The procedures for application of Rights Shares are set out on pages 11 to 16 of this Prospectus.

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to the Latest Time for Termination if:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the representations or warranties contained in the Underwriting Agreement is untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b)
  - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong, Cayman Islands or elsewhere;
  - (ii) any change in local, national or international financial, political, industrial or economic conditions;
  - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
  - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
  - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
  - (vi) any change or development involving a prospective change in taxation or exchange controls in Hong Kong, Cayman Islands or elsewhere,

which event or events is or are in the reasonable opinion of the Underwriter:-

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

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## TERMINATION OF THE UNDERWRITING AGREEMENT

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then and in such case, the Underwriter may, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing to the Company terminate the Underwriting Agreement forthwith.

**Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save for any antecedent breach. If the Underwriter exercises such right, the Rights Issue will not proceed.**

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## EXPECTED TIMETABLE

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*The expected timetable for the Rights Issue is set out below:*

First day of dealings in nil-paid Rights Shares . . . . .	9:00 a.m. on Monday, 11 December, 2017
Latest time for splitting nil-paid Rights Shares . . . . .	4:30 p.m. Wednesday, 13 December, 2017
Last day of dealings in nil-paid Rights Shares . . . . .	4:00 p.m. on Monday, 18 December, 2017
Latest time for acceptance and payment for Rights Shares and application for excess Rights Shares . . . . .	4:00 p.m. on Thursday, 21 December, 2017
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional . . . . .	4:00 p.m. on Friday, 22 December, 2017
Announcement of the allotment results . . . . .	Tuesday, 2 January, 2018
Refund cheques, if any, to be despatched (if the Rights Issue is terminated and in respect of unsuccessful or partially successful application for excess Rights Shares) on or before . . . . .	Wednesday, 3 January, 2018
Certificates for fully paid Rights Shares to be despatched on or before . . . . .	Wednesday, 3 January, 2018
Commencement of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Thursday, 4 January, 2018

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only. Any changes to the expected timetable for the Rights Issue will be announced as appropriate in accordance with the Listing Rules.

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## EXPECTED TIMETABLE

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### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
  - i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
  - ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following 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 of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place at the Latest Time for Acceptance, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

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## DEFINITIONS

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*In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:*

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 21 November 2017 in respect of, among other things, the proposed Rights Issue
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (other than a Saturday or Sunday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Citizens”	Citizens Money Lending Corporation Limited, a company incorporated in Hong Kong, which has acquired all the rights and interests of the Deed of PN
“Citizens Debts”	the debts of the principal amount and accrued interests owed by the Company to Citizens under the Deed of PN
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)
“Company”	National Investments Fund Limited (Stock Code: 1227), a company incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules

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## DEFINITIONS

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“Custodian”	Bank of Communications Trustee Limited
“Custodian Agreement”	the custodian agreement dated 11 March 2005 entered into between the Company and the Custodian
“Deed of PN”	a deed of promissory note and confirmation executed by the Company in favour of a creditor (who had subsequently assigned the Deed of PN to Citizens) dated 20 June 2016 whereby the Company covenanted to pay a debt in sum of HK\$25,716,129.03 with accrued interest thereon at the rate of 3% per month commencing from 20 June 2016 to the creditor
“Director(s)”	director(s) of the Company
“EAF(s)”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties not connected with or acting in concert with any Directors, chief executive or Substantial Shareholder(s) of the Company and their respective associates
“Investment Manager”	Avia Asset Management Limited
“Investment Management Agreement”	the investment management agreement dated 1 November 2016 entered into between the Company and the Investment Manager



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## DEFINITIONS

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“Latest Practicable Date”	Monday, 4 December 2017, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Last Trading Day”	Tuesday, 21 November 2017, being the last trading date the Shares on the Stock Exchange before the release of the Announcement
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 21 December 2017 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Latest Time for Termination”	4:00 p.m. on Friday, 22 December 2017, being the next Business Day following the Latest Time for Acceptance, or such other time as may be agreed between the Company and the Underwriter
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	4:00 p.m. on Wednesday, 31 January 2018 (or such later date as the Underwriter and the Company may agree in writing)
“Main Board”	Main Board of the Stock Exchange
“Memorandum”	the memorandum of association of the Company
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong

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## DEFINITIONS

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“PAL(s)”	provisional allotment letter(s) for the Rights Issue
“Posting Date”	Thursday, 7 December 2017, or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Overseas Shareholders for information only (as the case may be)
“PRC”	the People’s Republic of China, which for the purpose of the Prospectus excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
“Prospectus”	this prospectus, being the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholder(s) whose name(s) appear 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”	Wednesday, 6 December 2017, being the date for determining entitlements of Shareholders to participate in the Rights Issue
“Registrar”	Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the branch share registrar of the Company in Hong Kong
“Rights Issue”	the proposed offer for subscription of the Rights Shares by way of rights issue at the Subscription Price to be made by the Company to the Qualifying Shareholders (other than the Non-Qualifying Shareholders) on the basis of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date as contemplated under the Underwriting Agreement
“Rights Share(s)”	1,201,130,456 Shares to be allotted and issued pursuant to the Rights Issue

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## DEFINITIONS

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“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.035 per Rights Share
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeover Code”	The Codes of Takeovers and Mergers and Share Buy-backs
“Underwriter”	Enhanced Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 21 November 2017 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	1,201,130,456 Rights Shares as fully underwritten by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

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LETTER FROM THE BOARD

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# NationalInvestments

## National Investments Fund Limited

國盛投資基金有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1227)**

*Executive Directors*

Mr. Wong Danny F. (*Chairman*)

Mr. Wu Tse Wai, Frederick

Mr. Fong Chi Wah

*Independent Non-Executive Directors*

Mr. Char Shik Ngor, Stephen

Mr. Liu Jin

Mr. Law Tze Lun

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business  
in Hong Kong:*

20/F., Octa Tower

8 Lam Chak Street

Kowloon Bay

Hong Kong

7 December 2017

*To the Shareholders*

Dear Sir/Madam,

**RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY TWO SHARES HELD ON THE RECORD DATE**

**INTRODUCTION**

On 21 November, 2017, the Board announced that the Company proposed to raise gross proceeds of approximately HK\$42.04 million (before expenses) on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date by issuing 1,201,130,456 Rights Shares at the Subscription Price of HK\$0.035 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

The purpose of this Prospectus is to provide you, among others, further details about the Rights Issue.

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## LETTER FROM THE BOARD

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### RIGHTS ISSUE

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	:	2,402,260,913 Shares
Number of Rights Shares	:	1,201,130,456 Rights Shares ( <i>Note</i> )
Subscription Price	:	HK\$0.035 per Rights Share with nominal value of HK\$0.01 each

Save as disclosed, as at the Latest Practicable Date, the Company has no outstanding derivatives, convertible securities, options, warrants or securities in issue which confer any right to subscribe for, convert or exchange into Shares. Assuming no issue of other new Shares or no repurchase of Shares on or before the Record Date, the 1,201,130,456 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.3% of the Company's issued share capital as enlarged by the issue of the 1,201,130,456 Rights Shares.

### Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

- i. be registered as a member of the Company at the close of business on the Record Date; and
- ii. be a Qualifying Shareholder.

### Rights of Overseas Shareholders

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

Based on the register of members of the Company, the Company does not have any Overseas Shareholders as at the Latest Practicable Date. Therefore, there are no Non-Qualifying Shareholder for the purpose of the Rights Issue.

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## LETTER FROM THE BOARD

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### Subscription Price

The Subscription Price for the Rights Shares is HK\$0.035 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

1. a discount of approximately 41.67% to the closing price of HK\$0.06 per Share as quoted on the Stock Exchange on the Last Trading Day;
2. a discount of approximately 42.62% to the average closing price of approximately HK\$0.061 per Share as quoted on the Stock Exchange for the five consecutive trading days prior to the Last Trading Day;
3. a discount of approximately 32.26% to the theoretical ex-right price of approximately HK\$0.052 per Share based on the closing price of HK\$0.06 per Share as quoted on the Stock Exchange on the Last Trading Day; and
4. a discount of approximately 22.22% to the closing price of HK\$0.045 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to (i) the net asset value of the Company; (ii) the prevailing market prices of the existing Shares and the theoretical ex-entitlement price. The Directors consider that the discount to the prevailing market price of the Shares encourages the Qualifying Shareholders to maintain their respective shareholdings in the Company and participate in the potential growth of the Group. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its existing shareholding in the Company.

In view of the above, the Board considers the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the theoretical closing price of the Shares on the Last Trading Day with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.034.

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## LETTER FROM THE BOARD

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### **Basis of provisional allotment**

The basis of the provisional allotment is one Rights Share (in nil-paid form) for every two Shares in issue and held on Record Date, being 1,201,130,456 Rights Shares at a price of HK\$0.035 per Rights Share. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

As at the Latest Practicable Date, the Board had not received any information from any of the Shareholders of its intention to take up all or any of the Rights Shares provisionally allotted to it. Furthermore, the Company had not received any undertaking from any Shareholders to subscribe for all or any of the Rights Shares provisionally allotted to them.

### **Status of the Rights Shares**

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid, the record date of which is after the date of allotment of the Rights Shares in their fully-paid form.

### **Fractions of Rights Shares**

Fractional entitlements to the Rights Shares will be disregarded and not be issued to the Qualifying Shareholders. Any fractional entitlements to the Rights Shares will be aggregated and will be made available for excess application by the Qualifying Shareholders under the EAFs.

### **Arrangement on odd lot trading**

In order to alleviate the difficulties arising from the existence of odd lots of Shares arising from the Rights Issue, the Company has appointed the Underwriter to provide matching service for sale and purchase of odd lots of Shares at the relevant market price per Share, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Shareholders who wish to utilise the service should contact Cecil Chan at (852) 2836 2188, 37/F., Times Tower, No. 393 Jaffe Road, Wanchai, Hong Kong during the period from 4 January 2018 to 17 January 2018, both days inclusive. Holders of odd lots of the Shares should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed.

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## LETTER FROM THE BOARD

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If you are in any doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

### Procedure for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than 4:00 p.m. on Thursday, 21 December 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's orders must be issued by, a licensed bank in Hong Kong and made payable to "NATIONAL INVESTMENTS FUND LIMITED – PAL" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Thursday, 21 December 2017, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 13 December 2017 with the Registrar who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.



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## LETTER FROM THE BOARD

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The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of this Prospectus, the PAL or the EAF in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/its behalf an application for the Rights Shares to satisfy himself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation to the Company that all these local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

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## LETTER FROM THE BOARD

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If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, any Rights Shares provisionally allotted but not accepted and aggregate fractional entitlements.

**Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar so as to be received by no later than 4:00 p.m. on Thursday, 21 December 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's orders must be issued by, a licensed bank in Hong Kong and made payable to "NATIONAL INVESTMENTS FUND LIMITED – EAF" and crossed "Account Payee Only".**

The Directors will, upon consultation with the Underwriter, allocate the excess Rights Shares at their discretion on a fair and equitable basis on the principle that any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro-rata basis with reference to the number of the excess Rights Shares applied for, but no reference will be made to the number of Rights Shares applied for under PALs or the existing number of Shares held by such Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PALs is greater than the aggregate number of excess Rights Shares applied for through EAFs, the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAFs. No preference will be given to topping up odd lots to whole board lots.

Investors 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 Rights Shares will not be extended to beneficial owners individually.

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## LETTER FROM THE BOARD

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The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on or about Tuesday, 2 January 2018. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that the amount tendered on application will be refunded in full without interest on or before Wednesday, 3 January 2018. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be refunded to them without interest on or before Wednesday, 3 January 2018.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all these local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

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## LETTER FROM THE BOARD

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### **Share certificates and refund cheques for Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 3 January 2018. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 3 January 2018 by ordinary post to the applicants at their own risk. Successful applicant(s) will receive one share certificate for all the fully-paid Rights Shares issued to him/her/it.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on 9:00 a.m. on Thursday, 4 January 2018.

### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings 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. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 20,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

**Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

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## LETTER FROM THE BOARD

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### TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

### Conditions of the Rights Issue

The Rights Issue and the obligations of the Underwriter as specified under the Underwriting Agreement are conditional upon the following conditions being fulfilled:

- (1) the Listing Committee of the Stock Exchange agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Underwriter, in its reasonable opinion, accepts and the subsequent satisfaction of such conditions (if any);
- (2) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents each duly certified by the Directors (or by their agents duly authorised in writing) on or before Posting Date in compliance with the Companies (WUMP) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;
- (3) the posting of the Prospectus Documents to the Qualifying Shareholders; and
- (4) the Underwriter having not terminated the Underwriting Agreement in accordance with the terms thereunder.

If any of the above conditions have not been fulfilled in all respects on or before the Long Stop Date pursuant to the terms thereunder, all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach under the Underwriting Agreement, and the Rights Issue will not proceed.

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## LETTER FROM THE BOARD

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### UNDERWRITING ARRANGEMENT

#### The Underwriting Agreement

Date	:	21 November 2017
Issuer	:	The Company
Underwriter	:	The Underwriter
Total number of Rights Shares being underwritten by the Underwriter	:	The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 1,201,130,456 Rights Shares subject to the terms and conditions of the Underwriting Agreement
Commission	:	3% of the aggregate Subscription Price in respect of the number of the Underwritten Shares

On 12 October 2017, the Company has approached three securities firms namely Win Wind Securities Limited (“WWSL”), Enerchina Securities Limited (“Enerchina Securities”) and the Underwriter with identical initial terms being one (1) Rights Share for every two (2) existing Shares at the Subscription Price of HK\$0.035. The Underwriter was the only interested securities firm and agreed on the initial terms under the condition that the subscription price should carry a significant discount to the market price of the Shares after considering the poor trading performance of the Shares and the financial position of the Company.

WWSL is a subsidiary of Enerchina Holdings Limited (stock code: 622) (“Enerchina”) and a fellow subsidiary of Citizens which is one of the creditors of the Company. Save as disclosed, there is no other relationship between WWSL and the Company together with its associates. Enerchina Securities is an associate of Enerchina. Save as disclosed, there is no other relationship between Enerchina Securities and the Company together with its associates. The Underwriter is a fellow subsidiary of a previous creditor of the Company which had provided a short term financing to the Company in 2016. Save as disclosed, there is no other relationship between the Underwriter and the Company together with its associates.

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## LETTER FROM THE BOARD

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As at the date of Latest Practicable Date, the Underwriter does not hold any Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons as defined under the Listing Rules.

The terms of the Underwriting Agreement (including the underwriting commission) were determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition.

Having considered (i) the underwriting commission offered by the Underwriter is comparable to that offered by other financial institutions; and (ii) the experience and financial resources of the Underwriter for underwriting of such securities, the Directors (including the independent non-executive Directors) consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement (including the underwriting commission) to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to the Latest Time for Termination if:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that, any of the representations or warranties contained in the Underwriting Agreement is untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b)
  - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong, Cayman Islands or elsewhere;
  - (ii) any change in local, national or international financial, political, industrial or economic conditions;
  - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;

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## LETTER FROM THE BOARD

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- (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
- (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange; or
- (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong, Cayman Islands or elsewhere,

which event or events is or are in the reasonable opinion of the Underwriter:-

- (1) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (2) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken up; or
- (3) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then and in such case, the Underwriter may, in addition to and without prejudice to any other remedies to which the Underwriter may be entitled, by notice in writing to the Company terminate the Underwriting Agreement forthwith.

**Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement save for any antecedent breach. If the Underwriter exercises such right, the Rights Issue will not proceed.**



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## LETTER FROM THE BOARD

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### FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company did not carry out any other fund raising activities during the past twelve (12) months immediately preceding the Latest Practicable Date:

<b>Date of announcements</b>	<b>Event</b>	<b>Estimated net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
28 February 2017 and 7 March 2017	Placing of 110,000,000 new Shares under the general mandate at a price of HK\$0.142 per placing Share.	HK\$15.15 million	Intended to be used for general working capital of the Group and/or for future investments pursuant to the investment objectives of the Company	Used as intended
6 January 2017 and 10 January 2017	Placing of 160,000,000 new Shares under the general mandate at a price of HK\$0.1 per placing Share	HK\$15.52 million	Intended to be used for general working capital of the Group and/or for future investments pursuant to the investment objectives of the Company	Used as intended
20 December 2016 and 22 December 2016	Placing of 48,000,000 new Shares under the general mandate at a price of HK\$0.113 per placing Share	HK\$5.26 million	Intended to be used as the general working capital of the Group and/or for future investments pursuant to the investment objectives of the Company	Used as intended

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## LETTER FROM THE BOARD

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### REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment company under Chapter 21 of the Listing Rules and is principally engaged in investment in listed and unlisted companies.

The estimated gross proceeds of the Rights Issue will be approximately HK\$42.04 million and the estimated net proceeds of the Rights Issue, after deducting the related expense, will be approximately HK\$40.28 million, which is intended to be used in the following manner:

- (i) approximately HK\$40 million will be applied to repay the principal amount and interests of Group's loans including the Citizens Debts; and
- (ii) the remaining balance (if any) for general working capital and investment opportunities as may be identified from time to time.

According to the interim report of the Company for the six months ended 30 June 2017, the Group recorded revenue of approximately HK\$1.88 million and loss for the period was approximately HK\$39.01 million. As at 30 June 2016, the Group's net asset value decreased to approximately HK\$30.77 million, and the Group had cash and bank balances of approximately HK\$4.32 million and total liabilities of approximately HK\$168.33 million. Approximately HK\$57.88 million of the Group total liabilities were current liabilities that accrued charges and other payables accounted for over 99%. As at 31 October 2017, the Group's net asset value decreased to approximately HK\$15.61 million which represents its lowest year end level since the year of 2009. The outstanding principal for short-term financing of the Group as at the Latest Practicable Date amounted to approximately HK\$27.22 million with annual interest rate range from 24% to 36% and the annualized interest amounts is over HK\$9 million. As at 1 November 2017, the Company had bank and cash balance of approximately HK\$605,900. With the current financial position of the Group, the Directors considered that the Group will require further fund raising by in addition to Rights Issue to maintain sufficient working capital for its operations' needs. Therefore, the Company will contemplate to conduct further fund raising activities, debt financing/capitalization for the next 12 months whenever appropriates, to strengthen the financial position of the Group. However, as at the Latest Practicable Date, the Company has no concrete plan in conducting other fund raising activities save for Rights Issue.

In the beginning of this year, the Company announced its debt restructuring plan to (i) reduce the burdensome interest expenses; (ii) increase the net asset value of the Company; and (iii) enlarge the Company's capital base by introducing a new Substantial Shareholder with abundant financial resources. However, as certain conditions precedent have not been fulfilled, such debt restructuring plan was lapsed and approximately 95% of the outstanding short-term financing of the Group has been overdue for almost a year. Shareholders and potential investors can refer to the Company's announcements dated 9 February 2017, 5 May 2017, 9 June 2017 and 31 October 2017 for more information.

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## LETTER FROM THE BOARD

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The Board is of the view that the Rights Issue is in the best interests of the Company and its Shareholders, compared with the situation where the Company would have been forced to liquidate the Company's assets to repay its loans and borrowings. The Directors are in the opinion that the assets under investment have not reached its potential, and any early or forced liquidation of such assets will possibly lower the investment returns of the Company. The available-for-sale financial assets held by the Company are all unlisted securities or equity in private companies. They are illiquid in the market and if they need to be disposed of quickly, a fire-sale at deep discounted price is unavoidable. The Company made informal approach to potential investors but the Company did not receive any offer. In addition, the Company held shareholder's loan receivables from an investee company. However, the investee company does not have sufficient resources for repayment and due to the reasons previously explained, the disposal of such loan receivable is not practicable. Therefore, the Board considered that raising funds by way of the Rights Issue is more cost effective and efficient and beneficial to the Company and the Shareholders as a whole. The Board had also launched cost reduction scheme including reduction of employees' salary and reduction of rental expenses. Accordingly, the Group's general working capital requirements for the next 12 months reduced from approximately HK\$48 million to around HK\$40 million. However, the Company's need for new source of fund is still imminent.

The Board has considered various fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing of new shares and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favorable terms on a timely basis under volatile market conditions. It is the intention of the Board to reduce the gearing ratio and interest expenses of the Company to a more favourable level to improve the financial position of the Company. However, the Company still approached various banks in May 2017 such as Morgan Stanley, HSBC, Fubon Bank (Hong Kong) Limited, OCBC Wing Hang Bank Limited, ICBC (Asia) Limited and CLSA Limited, in order to obtain credit facilities and/or realize the assets of the Company to repay its outstanding indebtedness. The list of the Company's assets was provided to the mentioned banks for their assessment. Only two banks replied and indicated that the Company's assets (including share equity and other tangible assets, i.e. art works and diamonds) would not be accepted as security due to valuation and liquidation issues. Therefore, the Board was unable to seek debt financing as a source for raising funds.

The Directors also considered utilizing the existing general mandate of 480,452,182 Shares. With the weak trading price performance of the Shares and the uncertainty of new share placement on a best efforts basis, the possible proceeds from utilizing the available existing general mandate would be insufficient to settle its current loans and borrowings. In addition, placing of new shares would only be available to certain placees who were not necessarily the Shareholders and would dilute the shareholding of the Shareholders. Therefore, such placing was not practicable and therefore not considered by the Board.

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## LETTER FROM THE BOARD

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The Board considers that the Rights Issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

In view of the above, the Board considers that the Rights Issue represents an opportunity for the Company to strengthen its financial position after having considered that:

- (1) the significant loss-making performance of the Group;
- (2) the decreasing net asset value of the Group;
- (3) the Rights Issue 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 proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so;
- (4) the discount of the Subscription Price to the prevailing market price in order to enhance the attractiveness of the Rights Issue and it is the Company's objective to encourage the participation of Qualifying Shareholders in the Rights Issue;
- (5) after considering other alternative fund raising methods, it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise; and
- (6) to allow the Shareholders to have more flexibility in dealing with the Shares and the nil paid rights attaching thereto.

Given the above factors, the Board considers that the terms of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### SHAREHOLDING IN THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue.

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders take up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
CCM Asia Investment Corporation (Note 1)	296,338,637	12.34	444,507,955	12.34	296,338,637	8.23
Existing public Shareholders	2,105,922,276	87.66	3,158,883,414	87.66	2,105,922,276	58.44
The Underwriter (Note 2)	–	–	–	–	1,201,130,456	33.33
<b>Total</b>	<u>2,402,260,913</u>	<u>100.00%</u>	<u>3,603,391,369</u>	<u>100.00%</u>	<u>3,603,391,369</u>	<u>100.00%</u>

*Notes:*

- (1) These represent beneficial interests in Shares owned by CCM Asia Investment Corporation, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is indirectly held by Mr. Wong Danny F., the chairman and an executive Director of the Company. These Shares have been charged in favour of a secured lender.
- (2) Pursuant to the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriters is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations:
  - (i) the Underwriter shall use all reasonable endeavours to procure that its sub-underwriters and subscribers or purchasers of Underwritten Shares procured by it under the Underwriting Agreement as well as subscribers or purchasers procured by its sub-underwriter shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or Substantial Shareholders of the Company or their respective associates;
  - (ii) the Underwriter shall, and shall cause its sub-underwriter to, procure independent subscribers or purchasers to take up such number of Underwritten Shares (a) as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the Company and (b) such that it, its sub-underwriters and the subscribers or purchasers procured by it and by its sub-underwriter shall not, together with party(ies) acting in concert with each of them, become the controlling Shareholder (as defined under the Listing Rules) of the Company upon completion of the Rights Issue.

**Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.**

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## LETTER FROM THE BOARD

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### WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-section headed “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement” above). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Tuesday, 28 November 2017. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 11 December 2017 to Monday, 18 December 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about their position or any action to be taken is recommended to consult their own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this Prospectus.

Yours faithfully,  
By order of the Board  
**NATIONAL INVESTMENTS FUND LIMITED**  
**Wong Danny F.**  
*Chairman*

**1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP**

The audited consolidated financial information of the Group for each of the three years ended 31 December, 2014, 2015 and 2016 and half year ended 30 June 2017 together with the relevant notes to the consolidated financial statements of the Group has been published in the annual reports and interim report per below:

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

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0429/LTN201504291366.pdf>

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

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0428/LTN20160428907.pdf>

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

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0427/LTN201704271777.pdf>

Interim report of the Company for six months ended 30 June 2017:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0928/LTN20170928774.pdf>

The said annual reports and the interim report of the Company are available on the Company's website at <http://www.nif-hk.com> and the website of the Stock Exchange at <http://www.hkexnews.hk>.

**2. INDEBTEDNESS STATEMENT****Borrowings**

As at the close of business 31 October 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding other borrowings of approximately HK\$1,500,000. The other borrowings is unsecured with fixed interest rate 2% per month and repayable within one month from the date of drawdown. The Group had outstanding other payables with accrued interest payable of approximately HK\$37,587,000. The other payables with accrued interest payable with fixed interest rate 3% per month and secured by the equity interest in its owned subsidiaries in favour of Massive Shine Limited, Old Peak Limited, Eighty Riches Limited, Union Power Holdings Limited and Fine East Trading Limited. The Group had outstanding finance lease payables of approximately HK\$1,673,000. The foresaid finance leases payables are secured by the lessor's charge over the leased assets with carrying amount of approximately HK\$1,851,000. The above foresaid borrowings are unguaranteed.

**Promissory notes**

As at the close of business 31 October 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had eleven outstanding unsecured promissory notes with principal amounts of approximately HK\$110,000,000. All promissory notes are interest bearing at 5% interest rate per annum with 7 years maturity from the date of issue.

**Contingent liabilities**

Save as disclosed in this Prospectus, so far as the Directors were aware, the Group was not engaged in any litigation or claims of material importance, and so far as the Directors are aware, no litigation or claims of material importance is pending or threatened against the Group.

As at close of business on 31 October 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Directors have confirmed that there has been no material contingent liabilities outstanding.

**Disclaimers**

Save as aforesaid and apart from intra-group liabilities and normal trade payables, at the close of business on 31 October 2017, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, financial lease, hire purchases commitments, guarantees or other material contingent liabilities.

**3. WORKING CAPITAL**

The Directors estimated that, for the next 12 months following the issue of this prospectus, the Group will have (i) cash inflows of approximately HK\$1 million arising from interest income from available-for-sale financial assets, bank interest income and other income; and (ii) cash outflows of approximately HK\$41 million arising from the operating expenses and interest expenses. Accordingly, the Group will have net cash outflow of approximately HK\$40 million for the next 12 months following the issue of this prospectus.

Subject to the successful raising of approximately HK\$40.28 million by the Rights Issue which will be used to repay the existing indebtedness, and taking into account the financial resources available to the Group, including internally generated funds and possible fund raising of approximately HK\$48 million, the Directors are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of publication of this prospectus in the absence of unforeseeable circumstances.



Therefore, the Company needs to finance future funding requirements of approximately HK\$48 million by issuance of new shares, new debts, bank and other borrowings or a combination of the above.

#### **4. MATERIAL ADVERSE CHANGE**

As disclosed in the interim report of the Company for the six months ended 30 June 2017, the Group recorded a net loss of approximately HK\$39.01 million which was mainly attributable to (i) impairment loss on other tangible assets of approximately HK\$1,000,000 and (ii) finance costs of approximately HK\$7,509,000. Save as aforesaid losses, the Directors confirm that, as at the Latest Practicable Date, they 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 accounts of the Group were made up.

#### **5. FOREIGN EXCHANGE**

The Company's investments may be denominated in currencies other than Hong Kong dollars, and there is accordingly an exchange risk. It is expected that a portion of the distributions and payments to the Company from the investee companies will be denominated in RMB.

#### **6. BUSINESS AND FINANCIAL REVIEW AND TRADING PROSPECTS**

The Company is an investment company and the Group is principally engaged in investments in a diversified portfolio of listed and unlisted companies.

For the Review Period, the Group's revenue recorded a net gain of approximately HK\$1,884,000 (for the six months ended 30 June 2016 ("Last Corresponding Period"): net gain of approximately HK\$701,000). Excluding the net gain of approximately HK\$634,000 (Last Corresponding Period: net loss of approximately HK\$336,000) recorded on the financial assets at fair value through profit or loss ("FVTPL"), the Group's revenue increased by approximately 20.54% to approximately HK\$1,250,000 (Last Corresponding Period: revenue of approximately HK\$1,037,000). The proceeds of sales of equity and debt securities were approximately HK\$10,492,000 (Last Corresponding Period: the proceeds of sales of equity and debt securities and commodities futures contracts of approximately HK\$2,327,000), and the cost of sales were approximately HK\$9,879,000 (Last Corresponding Period: approximately HK\$2,663,000). The net realised gain on financial assets at FVTPL was therefore approximately HK\$613,000 (Last Corresponding Period: the net realised loss on financial assets at FVTPL was approximately HK\$336,000). Apart from the net realised gain on financial assets at FVTPL, there was unrealised gain on financial assets at FVTPL of approximately HK\$21,000 (Last Corresponding Period: Nil).

For the Review Period, the loss attributable to owners of the Company was approximately HK\$39,012,000 (Last Corresponding Period: approximately HK\$50,658,000). The loss was primarily attributable to (i) impairment loss on other tangible assets of approximately HK\$1,000,000 (Last Corresponding Period: Nil) and (ii) finance costs of approximately HK\$7,509,000 (Last Corresponding Period: approximately HK\$4,009,000).

**PROSPECT**

In the year of 2017, the world's economy continued to fill with challenges and uncertainties. Affected by China's economy, the financial market in Hong Kong was confronted with numerous challenges such as slowdown in economic growth. Besides, there are numbers of international political and economic issues remain uncertain around the world, including the global fiscal policy. The uncertainties may hinder the investor's confidence in financial market and it is expected that the stock market may remain volatile.

From the macroeconomic perspective, although China will continue to be expected to be the major driving force in the global economy, there is a chance that the Chinese government may choose to exercise further control over the financial market and fund flows due to economic downward pressure, which will affect investment business to a certain extent.

The Group will continue to implement a diversified investment strategies and to identify suitable investment opportunities with potential assets appreciation that will furtherance our Company's investment objectives and policies and also to generate better returns for the Group and the shareholders of the Company. Despite the difficult market conditions, the Group remains positive on the prospects of its investments and is confident that shareholders of the Company will be rewarded with strong positive returns under our investment portfolios in the future.

*The following is the text of a report, prepared for the sole purpose of incorporation in this Prospectus and received from HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.*



國衛會計師事務所有限公司  
**Hodgson Impey Cheng Limited**

31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

7 December 2017

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION  
INCLUDED IN AN INVESTMENT CIRCULAR**

To the Board of Directors of National Investments Fund Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of National Investments Fund Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2017 and related notes as set out on pages II-5 and II-6 of the prospectus issued by the Company dated 7 December 2017 (the “**Prospectus**”). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described in pages II-5 to II-6 of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the rights issue of 1,201,130,456 rights shares on the basis of one rights share for every two shares held on the record date at the subscription price of HK\$0.035 per rights shares (the “**Rights Issue**”) on the Group’s financial position as at 30 June 2017 as if the Rights Issue had taken place at 30 June 2017. As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s consolidated financial statements for the period ended 30 June 2017, on which no audit or review report has been published.

**Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The directors are responsible for compiling the unaudited 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*” issued by the Hong Kong Institute of Certified Public Accountants (the “**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 Financial Statements, and Other Assurance and Related Services Engagements*” 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 unaudited 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 unaudited pro forma financial information beyond that owed to those to whom those reports were address by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “*Assurance Engagements to Report on the Compilation of Pro Forma Financial 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 pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited 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 unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction of 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 30 June 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited 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 unaudited 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 unaudited 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 unaudited pro forma financial information has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited 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 unaudited 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 purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully

**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*

**Wong Sze Wai, Basilia**  
*Practising Certificate Number: P05806*  
Hong Kong

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATION NET  
TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma financial information of the Group attributable to equity shareholders of the Company is prepared by the Directors in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30 June 2017.

The unaudited pro forma financial information of the Group is prepared for illustrative purpose only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue as at the date to which it is made up or at any future date.

The unaudited pro forma financial information of the Group is prepared based on the unaudited consolidated net tangible assets attributable to equity shareholders of the Company as at 30 June 2017 and adjusted to reflect the effect of the Rights Issue:

Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2017 <i>(note 2)</i> HK\$'000	Estimated net proceeds from the Rights Issue <i>(note 3)</i> HK\$'000	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company upon completion of the Rights Issue HK\$'000	Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 June 2017 and prior to the completion of the Rights Issue <i>(note 4)</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company immediately after completion of the Rights Issue <i>(note 5)</i>
Based on 1,201,130,456 Rights Shares to be issued at a subscription price of HK\$0.035 per Rights Share				
30,769	40,280	71,049	HK\$0.01	HK\$0.02

*Notes:*

- (1) The Rights Issue of 1,201,130,456 Rights Shares is based on 2,402,260,913 Shares in issue as at the Latest Practicable Date.
- (2) The consolidated net tangible assets of the Group as at 30 June 2017 is calculated based on the capital and reserves attributable to the owners of the Company as at 30 June 2017 of approximately HK\$30,769,000 as extracted from the published interim report of the Company for the period ended 30 June 2017.
- (3) The estimated net proceeds from the Rights Issue are based on 1,201,130,456 Rights Shares to be issued at the Subscription Price of HK\$0.035 per Rights Share, after deduction of the related estimated expenses of approximately HK\$1,760,000.
- (4) The number of Shares used for the calculation of unaudited consolidated net tangible assets per Share attributable to the owners of the Company prior to the completion of the Rights Issue is based on 2,402,260,913 Shares in issue as at 30 June 2017.
- (5) The number of Shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company upon completion of the Rights Issue is calculated based on 3,603,391,369 Shares in issue upon completion of the Rights Issue, which comprise the existing 2,402,260,913 Shares in issue as at 30 June 2017 and 1,201,130,456 Shares to be issued pursuant to the Rights Issue.
- (6) No adjustment other than those adjusted above has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2017.



*This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of Listing Rules in connection with the listing document of investment company. This appendix includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Company. The Directors and the directors of the Investment Manager collectively and individually accept full responsibility for the accuracy of the information contained in this appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.*

**INVESTMENT MANAGEMENT INFORMATION**

Investment Manager	Avia Asset Management Limited Unit A, Level 9, Fortis Tower 77-79 Gloucester Road Wanchai Hong Kong
Directors of the Investment Manager	Mr. Chiu Wai Lap Unit A, Level 9, Fortis Tower 77-79 Gloucester Road Wanchai Hong Kong
Custodian	Bank of Communications Trustee Limited 1/F, Far East Consortium Building 121 Des Voeux Road Central Hong Kong

Avia Asset Management Limited is a company incorporated in Hong Kong on 6 May 2002 with limited liability and is a licensed corporation registered under the SFO to engage in Type 4 (advising on securities) and Type 9 (asset management) regulated activities within the meaning of the SFO.

The Investment Manager is a company incorporated in Hong Kong on 6 May 2002 with limited liability and is a licensed corporation registered under the SFO. The particulars of the directors of the Investment Manager are as follows:

Mr. Chiu Wai Lap, Abby (“Mr. Chiu”) has more than eight years of professional experiences in the financial service industry. Prior to joining Investment Manager, Mr. Chiu had been engaged in asset management in various financial institutions. Mr. Chiu holds a Bachelor degree of Finance from Hong Kong University of Science and Technology. Mr. Chiu has been appointed as the director of Investment Manager since 25 August 2012.

As confirmed by the Investment Manager, as at the Latest Practicable Date, there is no cross shareholding and common directorship between each of the Investment Manager, Mr. Chiu, and the Company and its substantial Shareholders. As such, the Company believes that there is no potential conflict of interest.

#### **Role of the Investment Manager**

The Investment Manager is responsible for making investment proposals in accordance with the Investment Management Agreement, the Articles and the investment policies of the Company. The investment committee may then at its sole discretion resolve and decide on whether to approve any of the proposals which investment amount below HK\$10,000,000 submitted by the Investment Manager. The Board may hold meeting for any investment decision made above HK\$10,000,000.

The Investment Management Agreement acknowledges potential conflict of interests as set out below:

As stated in the Investment Management Agreement, “It is acknowledged by the Company that the Investment Manager may, in the course of carrying out its business, have potential conflicts of interest with the Company.”

Under the Investment Management Agreement, it is stated that “The Investment Manager shall devote such time and effort to the Company’s business as is necessary to promote the interests of the Company. If, however, conflicts in relation to the allocation of resources and attention and the allocation of investment opportunities identified by the Company arise between the Company and other funds managed or advised by, and/or other clients of, the Investment Manager, the Investment Manager will attempt to allocate such investment opportunities between the Company and other funds managed or advised by, and/or other clients of, the Investment Manager on a reasonable basis, after taking into account factors such as the total amount available for investment by the Company and by such other funds managed or advised by, and/or other clients of, the Investment Manager as well as whether such other funds and/or clients have any existing interest in the proposed investment.”

The Investment Manager explained to the Company that it deals with situations of actual and potential conflicts of interests as follows:

For listed securities, the Investment Manager will advise its clients based on each client's investment objectives, existing investment portfolios maintained and preferences of that client, if any. The investment advice given for different clients may, depending on the above factors, be the same or differ between clients.

The Investment Manager has no obligation to verify if its clients have executed any investments based on its advice. The actual order placed by each client, even for the same investment target may differ as to price, quantity and timing. Accordingly, in the case of the Investment Manager giving advice on the listed investments where there is an open market, there should be no potential or actual conflict of interests.

For unlisted investments, the Investment Manager will offer potential investment opportunities in unlisted investments to all their clients at the same time (except for those of their clients who are restricted from making such investment) so as to ensure each client is given an opportunity to decide on whether it wishes to participate in such investment. If the available investment is insufficient to satisfy the need among the clients of the Investment Manager, the Investment Manager will allocate the investment to the Company and other clients on a pro-rata basis depending on the respective subscription request.

The Company would also like to emphasize that the Investment Manager's responsibility is only to render investment advice to and but not to manage funds of the Company and its other clients. It is the clients of the Investment Manager that make investment decisions that may or may not base on the advice given by the Investment Manager.

#### **The Custodian**

Bank of Communications Trustee Limited was appointed as the Custodian pursuant to the Custody Agreement.

The Directors confirm that none of the Directors, the Investment Manager, investment adviser or distribution company (if any), or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the Company, or any reallowance of other types on purchases charged to the Company.

**RISKS RELATING TO THE COMPANY**

The Company is an investment company and its funds will be invested in listed and unlisted companies mainly in Hong Kong and PRC. 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.

**INVESTMENT OBJECTIVES AND POLICIES**

The Company is an investment company incorporated in the Cayman Islands with the primary objective of achieving short to medium term (i.e. less than one year to five years) capital appreciation by investing in listed and unlisted companies mainly in Hong Kong and the PRC. The Company also intends to invest in unlisted companies with the potential to seek a listing on the Stock Exchange or any overseas stock exchanges.

The Company has adopted the following investment policies:

1. At least 50% of Company's assets will be invested in equity securities, convertible notes, preference shares, options, warrants, futures contracts, debt securities, mutual funds and unit trusts issued or managed by listed and unlisted companies in Hong Kong and the PRC, or such other types of investments in accordance with the investment objectives and policies adopted by the Company from time to time and the requirements of the Memorandum, the Articles, the Listing Rules and the Investment Management Agreement;
2. Investments will normally be made in the form of equity related securities and debt instruments in listed and unlisted companies engaged in different industries including (but not limited to) information technology, manufacturing, pharmaceutical, service, property, telecommunications, life and environmental and infrastructure sectors. This helps to maintain a balance in the Company's exposure to different industry sectors and to minimize the effect on the Company of downturn in any particular sector;
3. The Company will seek to identify businesses or entities with a potential of profit growth, strong management, high level of technical expertise and research and development capabilities as well as management commitment to long-term growth of such companies;

4. Where possible, the Board and the Investment Manager will seek to identify investments where there is a certain degree of synergy with other investee companies and where cooperation between such companies would be of mutual benefit to each other;
5. The Company's investments may take the form of equity joint ventures, co-operative joint ventures or participation in unincorporated investments. In the event that the entity in which an investment is made is an unlimited company under the PRC laws, the Company may invest through a wholly-owned subsidiary or an intermediate investment holding company with limited liability. The Board will seek to ensure that the Company will not be directly and unnecessarily exposed to any unlimited liability on its investments;
6. The Company's investments are intended to be held for short to medium term (i.e. less than one year to five years) capital appreciation. Nevertheless, the Directors will from time to time realize investments where they believe the realization would be in the best interests of the Company or where terms on which such realization can be achieved are considered by the Directors to be favorable to the Company;
7. The investment limit exercisable by the Company for any single investment shall not exceed 20% of Net Asset Value at the time when such investment is made as required by the Listing Rules; and
8. The investment limit exercisable by the investment procedure for any single investment is below \$10,000,000 resolved by the investment committee or \$10,000,000 or above resolved by the Board from time to time.

Given that there are no requirements under the Listing Rules that any alterations to the investment objectives and policies of an investment company under Chapter 21 of the Listing Rules require shareholders' approval after a period of 3 years from the date of listing, the investment objectives and policies of the Company as stated above may be altered without shareholders' approval (save as item 7) and the Company has to comply with the Articles and Chapter 21 of the Listing Rules at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules.

**INVESTMENT RESTRICTIONS**

Under the Articles and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company. To abide by such restrictions, the Board has resolved that the Company may not:

- (1) either on its own, or in conjunction with any connected person (as defined in the Listing Rules), take legal or effective management control of any Company or other entity in which it invest or control more than thirty per cent. (30%) (or such other percentage as may from time to time be specified in the Hong Kong Codes on Takeovers and Mergers as being the level for triggering a mandatory general offer) of the voting rights in such company or other entity, except in relation to wholly-owned subsidiaries of the Company;
- (2) invest in any company or entity, other than wholly-owned subsidiaries of the Company, if any, for the purpose of holding investments only, 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;
- (3) buy or sell commodities, commodity contracts or precious metals, except that it may purchase and sell futures contracts on stock indices and securities which are secured by commodities or precious metal;
- (4) invest more than 50% of the Company's assets outside Hong Kong and the PRC to the extent of contravening its primary objective of achieving short to medium term (i.e. less than one year to five years) capital appreciation by investing in listed and unlisted companies in Hong Kong and the PRC; and
- (5) engage in transactions in options and futures except for hedging purposes.

In accordance with the investment objectives, policies and restrictions of the Company, the Company is able to invest in unlisted securities, options, warrants and future contracts not exceeding 20% of the Net Asset Value of the Company.

The Company has to comply with investment restrictions 1 and 2 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.

As at the Latest Practicable Date, the Board has no present intention to change any of the above-mentioned investment restrictions and the Company has no present intention to invest in options, warrants, commodities, future contracts, unlisted securities and precious metals.

**BORROWING POWER**

Pursuant to the provision of the Articles, the borrowing power is mentioned as below:

1. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the law, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
2. Debentures, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
3. Any debentures, bonds or other securities may be issued at a discount (other than shares), premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.
4. (1) Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charge, and shall not be entitled, by notice to the members of the Company or otherwise, to obtain priority over such prior charge.  
  
(2) The Board shall cause a proper register to be kept, in accordance with the provisions of the Law, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the law in regard to the registration of charges and debentures therein specified and otherwise.

**DISTRIBUTION POLICY**

Interest, dividends and other income of the Company will be used first to meet expenses. The Investment Manager will then assess whether it is reasonable to make provisions for future expenses an/or any possible diminution in value of investments, and will consider the amount of cash which should be retained by the Company for future investment. 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. Interim distribution may also be made from time to time to Shareholders if it appears to the Board to be justified by the financial position of the Company and is permissible under the Memorandum and the Articles and the applicable laws. Distributions will be made in Hong Kong dollars.

**FOREIGN CURRENCY MANAGEMENT AND EXCHANGE CONTROL**

All the cash and cash equivalents were placed in Hong Kong Dollars accounts with the banks in Hong Kong, exposure to exchange fluctuation is considered minimal.

**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.

**FEES AND EXPENSES**

The Company will pay the fees of the Investment Manager and the Custodian, as described below.

In addition, the Company will pay certain other costs and expenses incurred in its operation, including taxes, expenses for legal, auditing, printing and consulting services, promotional expenses, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest and brokerage cost.



**INVESTMENT MANAGEMENT FEES**

The Company currently pays the Investment Manager a monthly investment management fee payable in advance of HK\$55,000 per month.

**CUSTODY FEE**

Pursuant to the Custody Agreement, the Custodian will receive a fund services fee at a fixed fee per annum per portfolio for the provision of standard reports available for fund services including portfolio valuation, acquisition and disposal statement, cash reconciliation etc., payable in half year installments and will be reimbursed of all out-of-pocket expenses. In addition, the Custodian will be paid for provision of securities services at the following rate, subject to revision by the Custodian from time to time in accordance with the terms of the Custody Agreement:

- i. custody fee of 0.05% of market value per annum depending on the trading market, payable monthly, based on month-end portfolio valuations and subject to a minimum charge per annum;
- ii. transaction fee of HK\$320 to HK\$650 depending on the trading market for each receipt or delivery of securities.

The annual portfolio is charged on a monthly basis on the market value of the portfolio as at month end. The annual portfolio fee includes the Custodian's charges for safekeeping, preparing registration, collection of income and corporate action processing for the above markets.

The transaction fee will be charged by the Custodian for each transaction and third party expenses and all out-of-pocket expenses will be billed at cost by Custodian.

Save for the fees mentioned hereinabove, the Investment Manager and the Custodian are not entitled to receive any other fees from the Company.

## INVESTMENT PORTFOLIO

**(A) All investment held as at 30 June 2017 and ten largest investment held as at 31 December 2016, 31 December 2015 and 31 December 2014**

The following are the details of all investment of the Group as at 30 June 2017 and the ten largest investments of the Group as at 31 December 2016, 31 December 2015 and 31 December 2014, which include all listed investments and all other investments with a value of more than 5% of the Group's gross assets as at 30 June 2017, 31 December 2016, 31 December 2015 and 31 December 2014. Save for the investments disclosed herein, there are no other listed investments and all other investments with a value of more than 5% of the Company's gross assets as at 30 June 2017, 31 December 2016, 31 December 2015 and 31 December 2014.

**(i) As at 30 June 2017**

Name of investee company	Effective Number of shareholding		Cost of investment	Market Value/fair	Change in fair value	Dividend/interest received/receivable during the period	Percentage to the	Percentage to the
	shares held	interest	as at 30 June 2017	value as at 30 June 2017			Company's net asset value as at 30 June 2017	Company's gross asset value as at 30 June 2017
			(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(Note)	(Note)
Tencent Holdings Limited (stock code: 0700)	10,500	0.0001%	2,911	2,932	21	-	9.53%	1.47%
Premium Castle Limited (Unlisted convertible bond)	HK\$18,600,000 bond	Not applicable	12,056	17,723	5,667	-	57.60%	8.90%
American Club (Unlisted debenture)	HK\$1,800,000 debenture	Not applicable	1,800	1,690	(110)	-	5.49%	0.85%
Upperclass Developments Limited (Unlisted share)	30	30%	-	-	-	-	-	-
Smart Role Limited (Unlisted share)	8	8%	59,680	53,200	(6,480)	-	172.90%	26.72%
Co-Lead Holdings Limited (Unlisted share)	41	0.57%	15,908	12,700	(3,208)	-	41.28%	6.38%
Joint Global Limited (Unlisted share)	2,200,000	0.78%	16,038	800	(15,238)	-	2.60%	0.40%
Freeopt Holdings Limited (Unlisted share)	160,000	5.06%	16,000	19,300	3,300	-	62.73%	9.69%
Freewill Holdings Limited (Unlisted share)	2,900,000	0.54%	15,950	9,900	(6,050)	-	32.18%	4.97%

A brief description of the business and financial information of the above listed and unlisted investee companies, based on their latest financial statements, are as follows:

1. Tencent Holdings Limited is principally engaged in the provision of value-added services and online advertising services to users in the People's Republic of China.

The unaudited net profit attributable to the owners of Tencent Holdings Limited for the year ended 31 December 2016 was approximately RMB41,095,000,000.

2. On 25 February 2014, The Company and Premium Castle Limited (“Premium Castle”), a company incorporated under the laws of British Virgin Islands, entered into a new subscription agreement, pursuant to which the Company has conditionally agreed to subscribe for and Premium Castle has conditionally agreed to issue a convertible note in the principal amount of HK\$18,600,000, being the outstanding principal amount of HK\$17,000,000 under the 2011 Convertible Note and the outstanding interest in the sum of approximately HK\$1,600,000 accrued under the 2010 Convertible Note and the 2011 Convertible Note, with maturity period of five years and coupon rate of 2%.

The unaudited net loss attributable to the owners of Premium Castle Limited for the three months ended 30 June 2017 was approximately HK\$2,032,000.

3. Upperclass Developments Limited is principally engaged in leasing service in China.

The unaudited net loss attributable to the owners of Upperclass Developments Limited for the six months ended 30 June 2017 was approximately HK\$36,000.

4. The American Club's principal activity continued to be the insurance of marine Protection and indemnity (P&i) and Freight, Demurrage and Defense (FD&D) risks on behalf of its Members, both owners and charterers.

5. Smart Role Limited is established in PRC as a wholly foreign owned enterprise on 9 January 2014 with limited liability. The business enterprise holds the 15 various forest rights certificates for the operating rights and forestry management of the Biological Asset covering an area of about 54,218 Chinese Mu till various dates ranging from 20 November 2053 to 1 January 2054. The Biological Asset is located in various townships including 貴民鄉, 匯灘鄉 and 橋亭鄉 at Nanjiang County.

The unaudited net loss attributable to the owners of Smart Role Limited for the six months ended 30 June 2017 was approximately HK\$265,000.

6. Co-Lead Holdings Limited is an exempted company incorporated in British Virgin Islands with limited liability on 22 January 2014, which is principally engaged in securities trading and investment holding business. Its investment portfolio consists of listed and unlisted securities.

The unaudited net loss attributable to the owners of Co-Lead Holdings Limited for six months ended 30 June 2017 was approximately HK\$46,835,000.

7. Joint Global Limited is an exempted company incorporated in Republic of the Marshall Islands with limited liability on 14 September 2015, which is principally engaged in securities trading and investment holding business. Its investment portfolio consists of listed and unlisted securities.

The unaudited net profit attributable to the owners of Joint Global Limited for the three months ended 30 April 2017 was approximately HK\$397,000.

8. Freeopt Holdings Limited is an exempted company incorporated in Republic of the Marshall Islands with limited liability on 22 December 2015, which is principally engaged in money lending business.

The unaudited net profit attributable to the owners of Freeopt Holdings Limited for the year ended 31 March 2017 was approximately HK\$15,000.

9. Freewill Holdings Limited is an exempted company incorporated in Republic of the Marshall Islands with limited liability on 16 June 2014, which is principally engaged in projects investment, securities investment and money lending business.

The unaudited net loss attributable to the owners of Freewill Holdings Limited for the year ended 31 March 2017 was approximately HK\$108,000.

*(ii) As at 31 December 2016*

Name of investee company	Number of shares held	Effective shareholding interest	Cost of investment as at 31 December 2016 (HK\$'000)	Market Value/fair value as at 31 December 2016 (HK\$'000)	Change in fair value (HK\$'000)	Dividend/interest received/receivable during the year (HK\$'000)	Percentage to the Company's net asset value as at 31 December 2016 (Note)	Percentage to the Company's gross asset value as at 31 December 2016
Premium Castle Limited (Unlisted convertible bond)	HK\$18,600,000 bond	Not applicable	12,056	16,412	4,356	-	37.52%	7.90%
American Club (Unlisted debenture)	HK\$1,800,000 debenture	Not applicable	1,800	1,720	(80)	-	3.93%	0.83%
Upperclass Developments Limited (Unlisted share)	30	30%	-	-	-	-	-	-
Smart Role Limited (Unlisted share)	8	8%	59,680	51,200	(8,480)	-	117.04%	24.65%
Co-Lead Holdings Limited (Unlisted share)	41	0.72%	15,908	15,500	(408)	-	35.43%	7.46%
Joint Global Limited (Unlisted share)	2,200,000	0.78%	16,038	1,100	(14,938)	-	2.51%	0.53%
Freeopt Holdings Limited (Unlisted share)	160,000	5.06%	16,000	20,700	4,700	-	47.32%	9.96%
Freewill Holdings Limited (Unlisted share)	2,900,000	0.54%	15,950	12,500	(3,450)	-	28.57%	6.02%

A brief description of the business and financial information of the above listed and unlisted investee companies, based on their latest financial statements, are as follows:

1. The American Club's principal activity continued to be the insurance of marine Protection and indemnity (P&i) and Freight, Demurrage and Defense (FD&D) risks on behalf of its Members, both owners and charterers.
2. On 25 February 2014, The Company and Premium Castle Limited ("Premium Castle"), a company incorporated under the laws of British Virgin Islands, entered into a new subscription agreement, pursuant to which the Company has conditionally agreed to subscribe for and Premium Castle has conditionally agreed to issue a convertible note in the principal amount of HK\$18,600,000, being the outstanding principal amount of HK\$17,000,000 under the 2011 Convertible Note and the outstanding interest in the sum of approximately HK\$1,600,000 accrued under the 2010 Convertible Note and the 2011 Convertible Note, with maturity period of five years and coupon rate of 2%.

The unaudited net loss attributable to the owners of Premium Castle Limited for the year ended 31 December 2016 was approximately HK\$8,112,000.

3. Upperclass Developments Limited is principally engaged in leasing service in China.

The unaudited net loss attributable to the owners of Upperclass Developments Limited for the year ended 31 December 2016 was approximately HK\$63,000.

4. Smart Role Limited is established in PRC as a wholly foreign owned enterprise on 9 January 2014 with limited liability. The business enterprise holds the 15 various forest rights certificates for the operating rights and forestry management of the Biological Asset covering an area of about 54,218 Chinese Mu till various dates ranging from 20 November 2053 to 1 January 2054. The Biological Asset is located in various townships including 貴民鄉, 匯灘鄉 and 橋亭鄉 at Nanjiang County.

The unaudited net loss attributable to the owners of Smart Role Limited for the year ended 31 December 2016 was approximately HK\$1,140,000.

5. Co-Lead Holdings Limited is an exempted company incorporated in British Virgin Islands with limited liability on 22 January 2014, which is principally engaged in securities trading and investment holding business. Its investment portfolio consists of listed and unlisted securities.

The unaudited net loss attributable to the owners of Co-Lead Holdings Limited for the year ended 31 December 2016 was approximately HK\$501,958,000.

6. Joint Global Limited is an exempted company incorporated in Republic of the Marshall Islands with limited liability on 14 September 2015, which is principally engaged in securities trading and investment holding business. Its investment portfolio consists of listed and unlisted securities.

The unaudited net loss attributable to the owners of Joint Global Limited for the nine months ended 31 December 2016 was approximately HK\$1,721,850,000.

7. Freeopt Holdings Limited is an exempted company incorporated in Republic of the Marshall Islands with limited liability on 22 December 2015, which is principally engaged in money lending business.

The unaudited net profit attributable to the owners of Freeopt Holdings Limited for the nine months ended 31 December 2016 was approximately HK\$13,000.

8. Freewill Holdings Limited is an exempted company incorporated in Republic of the Marshall Islands with limited liability on 16 June 2014, which is principally engaged in projects investment, securities investment and money lending business.

The unaudited net loss attributable to the owners of Freewill Holdings Limited for the nine months ended 31 December 2016 was approximately HK\$23,000.

*(iii) As at 31 December 2015*

Name of investee company	Number of shares held	Effective shareholding interest	Cost of investment as at 31 December 2015 (HK\$'000)	Market Value/fair value as at 31 December 2015 (HK\$'000)	Change in fair value during the year (HK\$'000)	Dividend/interest received/receivable during the year (HK\$'000)	Percentage to the Company's net asset value as at 31 December 2015 (Note)	Percentage to the Company's gross asset value as at 31 December 2015
Premium Castle Limited (Unlisted convertible bond)	HK\$18,600,000 bond	Not applicable	12,056	15,204	3,148	-	20.65%	7.61%
American Club (Unlisted debenture)	HK\$1,800,000 debenture	Not applicable	1,800	1,800	-	-	2.45%	0.9%
Upperclass Developments Limited (Unlisted share)	30	30%	-	-	-	-	-	-
Smart Role Limited (Unlisted share)	8	8%	59,680	59,344	(336)	-	80.62%	29.69%
China Merchants Bank Co., Ltd. (Listed share)	146,000	0.0006%	2,880	2,663	(217)	-	3.62%	1.33%

A brief description of the business and financial information of the above listed and unlisted equity securities, based on their latest financial statements, are as follows:

- On 25 February 2014, The Company and Premium Castle Limited (“Premium Castle”), a company incorporated under the laws of British Virgin Islands, entered into a new subscription agreement, pursuant to which the Company has conditionally agreed to subscribe for and Premium Castle has conditionally agreed to issue a convertible note in the principal amount of HK\$18,600,000, being the outstanding principal amount of HK\$17,000,000 under the 2011 Convertible Note and the outstanding interest in the sum of approximately HK\$1,600,000 accrued under the 2010 Convertible Note and the 2011 Convertible Note, with maturity period of five years and coupon rate of 2%.

The unaudited net loss attributable to the owners of Premium Castle Limited for the year ended 31 December 2015 was approximately HK\$6,300,000.

- The American Club’s principal activity continued to be the insurance of marine Protection and indemnity (P&i) and Freight, Demurrage and Defense (FD&D) risks on behalf of its Members, both owners and charterers.
- Upperclass Developments Limited is principally engaged in leasing service in China.

The unaudited net loss attributable to the owners of Upperclass Developments Limited for the year ended 31 December 2015 was approximately HK\$233,000.



4. Smart Role Limited is established in PRC as a wholly foreign owned enterprise on 9 January 2014 with limited liability. The business enterprise holds the 15 various forest rights certificates for the operating rights and forestry management of the Biological Asset covering an area of about 54,218 Chinese Mu till various dates ranging from 20 November 2053 to 1 January 2054. The Biological Asset is located in various townships including 貴民鄉, 匯灘鄉 and 橋亭鄉 at Nanjiang County.

The unaudited net loss attributable to the owners of Smart Role Limited for the year ended 31 December 2015 was approximately HK\$1,798,000.

5. China Merchants Bank Co., Ltd is principally engaged in the provision of banking and related financial services.

The audited net profit attributable to the owners of China Merchants Bank Co., Ltd for the year ended 31 December 2015 was approximately RMB57,696,000,000.

**(iv) As at 31 December 2014**

Name of investee company	Number of shares held	Effective shareholding interest	Cost of investment as at 31 December 2014 (HK\$'000)	Market Value/fair value as at 31 December 2014 (HK\$'000)	Change in fair value (HK\$'000)	Dividend/interest received/receivable during the year (HK\$'000)	Percentage to the Company's net asset value as at 31 December 2014 (Note)	Percentage to the Company's gross asset value as at 31 December 2014
Premium Castle Limited (Unlisted convertible bond)	HK\$18,600,000 bond	Not applicable	12,056	13,444	1,388	-	4.54%	2.87%
HEC Capital Limited (Unlisted share)	8,200,000	0.89%	49,283	56,140	6,857	-	18.97%	11.97%
Upperclass Developments Limited (Unlisted share)	30	30%	-	-	-	-	-	-
Freeman Corporation Limited (Unlisted share)	21,000,000	1.8%	59,850	50,154	(9,696)	-	16.94%	10.69%
Smart Role Limited (Unlisted share)	8	8%	59,680	59,503	(177)	-	20.10%	12.69%
Kingswood Shine Limited (Unlisted share)	1	50%	40,000	29,067	(10,933)	-	9.82%	6.20%
Mascotte Holdings Limited (Listed share)	908,703,496	3.3789%	85,067	118,131	33,064	-	39.91%	25.19%
China Merchants Bank Co., Ltd. (Listed share)	102,000	0.0022%	1,562	1,981	419	-	0.67%	0.42%

A brief description of the business and financial information of the above listed and unlisted equity securities, based on their latest financial statements, are as follows:

1. On 25 February 2014, The Company and Premium Castle Limited (“Premium Castle”), a company incorporated under the laws of British Virgin Islands, entered into a new subscription agreement, pursuant to which the Company has conditionally agreed to subscribe for and Premium Castle has conditionally agreed to issue a convertible note in the principal amount of HK\$18,600,000, being the outstanding principal amount of HK\$17,000,000 under the 2011 Convertible Note and the outstanding interest in the sum of approximately HK\$1,600,000 accrued under the 2010 Convertible Note and the 2011 Convertible Note, with maturity period of five years and coupon rate of 2%.

The unaudited net loss attributable to the owners of Premium Castle Limited for the year ended 31 December 2014 was approximately HK\$4,179,000.

2. HEC is an exempted company incorporated in Cayman Islands with limited liability on 11 April 2012. It is principally engaged in investment holding, money lending, trading of investments, securities brokerage, investment advisory and management. After forming the HEC, there was a capital reorganisation among HEC, Cordoba Homes Limited (“Cordoba”) and HCG (“the Reorganisation”). During the Reorganisation, the Group received the same number of equity securities in HEC in exchange for the equity securities in Cordoba and HCG. The Reorganisation was completed on 30 April 2012. On that date, the Group held 1.30% equity interest of HEC which directly and indirectly owned 100% equity interest of Cordoba and HCG respectively. No dividend was entitled to the Group for the year ended 31 December 2014.

3. Upperclass Developments Limited is principally engaged in leasing service in China.

The unaudited net loss attributable to the owners of Upperclass Developments Limited for the year ended 31 December 2014 was approximately HK\$156,000.

4. Freeman Corporation Limited (formerly known as Advance Best Limited) is an exempted company incorporated in Cayman Islands with limited liability on 28 June 2013, which is principally engaged in investment holding.

The unaudited net loss attributable to the owners of Freeman Corporation Limited for the three months ended 31 December 2014 was approximately HK\$459,794,000.

5. Smart Role Limited is established in PRC as a wholly foreign owned enterprise on 9 January 2014 with limited liability. The business enterprise holds the 15 various forest rights certificates for the operating rights and forestry management of the Biological Asset covering an area of about 54,218 Chinese Mu till various dates ranging from 20 November 2053 to 1 January 2054. The Biological Asset is located in various townships including 貴民鄉, 匯灘鄉 and 橋亭鄉 at Nanjiang County.

The unaudited net loss attributable to the owners of Smart Role Limited for the year ended 31 December 2014 was approximately HK\$468,000.

6. Kingswood Shine Limited is a company incorporated in Hong Kong with limited liability on 25 July 2014, which is principally engaged in investment holding.

The unaudited net loss attributable to the owners of Kingswood Shine Limited for the five months ended 31 December 2014 was approximately HK\$5,700,000.

7. Mascotte Holdings Limited is a company incorporated in Hong Kong with limited liability on 25 July 2014, which is principally engaged in investment holding.

The unaudited net loss attributable to the owners of Mascotte Holdings Limited for the year ended 31 March 2015 was approximately HK\$128,431,000.

8. China Merchants Bank Co., Ltd is principally engaged in the provision of banking and related financial services.

The audited net profit attributable to the owners of China Merchants Bank Co., Ltd for the year ended 31 December 2014 was approximately RMB55,911,000,000.

The Group reviews the fair value of its unlisted equity investments to determine whether there is any indication that those investment has required to make provision. At as 30 June 2017, 31 December 2016, 31 December 2015 and 31 December 2014, the Group does not aware any provision should be made for those investments.

**(B) Top-ten largest investments bought during 2014, 2015, 2016 and the six months ended 30 June 2017**

Set out below are the top-ten securities bought by the Company for the years ended 31 December 2014, 2015 and 2016 and the six months ended 30 June 2017.

Name of investee company		For the year	For the year	For the year	For the six
		ended	ended	ended	months ended
		31 December	31 December	31 December	30 June
		2014	2015	2016	2017
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
HSBC Holdings plc	(Stock code: 0005)	-	-	-	4,958
China Merchants Bank Co., Ltd.	(Stock code: 3968)	62,649	6,911	7,659	4,921
Tencent Holdings Limited	(Stock code: 0700)	24,603	-	-	2,911
Mascotte Holdings Limited	(Stock code: 0136)	85,067	121,674	-	-
Imperial Pacific International Holdings Limited	(Stock code: 1076)	-	2,495	-	-
China Strategic Holdings Limited	(Stock code: 0235)	-	548	-	-
COL Capital Limited	(Stock code: 0383)	-	5,107	-	-
Auto Italia Holdings Limited	(Stock code: 0720)	-	5,042	-	-
Unity Investments Holdings Limited	(Stock code: 0913)	33,146	-	-	-
AirMedia Group Inc ADR		-	1,355	-	-
New Island Development Holdings Ltd	(Stock code: 0377)	33,718	-	-	-

**(C) Top-three loss investments for the six months ended 30 June 2017 and for the years ended 31 December 2016, 2015 and 2014**

The top-three loss investments of the Company for the for the six months ended 30 June 2017 and for the years ended 31 December 2016, 2015 and 2014 are set out below:

**(i) For the six months ended 30 June 2017**

Name of investee company		Realised loss	Unrealised	Total loss
		HK\$'000	loss HK\$'000	HK\$'000
HSBC Holdings plc	(Stock code: 0005)	(52)	-	(52)

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

Name of investee company		Realised loss HK\$'000	Unrealised loss HK\$'000	Total loss HK\$'000
China Merchants Bank Co., Ltd.	(Stock code: 3968)	(200)	–	(200)

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

Name of investee company		Realised loss HK\$'000	Unrealised loss HK\$'000	Total loss HK\$'000
Mascotte Holdings Limited	(Stock code: 0136)	(27,717)	–	(27,717)
Auto Italia Holdings Limited	(Stock code: 0720)	1,655	–	1,655
COL Capital Limited	(Stock code: 0383)	(452)	–	(452)

**(iv) For the year ended 31 December 2014**

Name of investee company		Realised loss HK\$'000	Unrealised loss HK\$'000	Total loss HK\$'000
New Island Development Holdings Limited	(Stock code: 0377)	(10,641)	–	(10,641)
Tencent Holdings Limited	(Stock code: 0700)	(753)	–	(753)
China Merchants Bank Co., Ltd.	(Stock code: 3968)	(616)	–	(616)

None of the Directors is or has been a director of any company, the securities of which were one of the top-ten securities bought by the Company for the three years ended 31 December 2016, 31 December 2015, and 31 December 2014.

To the best of knowledge of the Directors, saved as disclosed in the Appendix IV under the section “relationship between the Company and its major investments, its substantial shareholders and the directors and directors’ interests in assets/contracts”, there was no cross-shareholdings between the Company and its major (top-ten bought) investments as for the three years ended 31 December 2016, 31 December 2015, and 31 December 2014.

**1. RESPONSIBILITY STATEMENT**

This Prospectus, for which the Directors and the directors of the Investment Manager 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 Group. The Directors and the directors of the Investment Manager, 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 (a) as at the Latest Practicable Date; and (b) immediately following completion of the Rights Issue were as follows:

**(i) As at the Latest Practicable Date**

	<b>Nominal value</b> <i>HK\$</i>
<i>Number of Shares authorised:</i>	
<u>20,000,000,000</u> Shares of HK\$0.01 each	<u>200,000,000.00</u>
<i>Issued and fully paid:</i>	
<u>2,402,260,913</u> Shares of HK\$0.01 each	<u>24,022,609.13</u>

## (ii) Immediately following the completion of the Rights Issue

	<b>Nominal value</b> <i>HK\$</i>
<i>Number of Shares authorised:</i>	
<u>20,000,000,000</u> Shares of HK\$0.01 each	<u>200,000,000.00</u>
<i>Issued and fully paid:</i>	
2,402,260,913 Shares of HK\$0.01 each in issue as at the Record Date	24,022,609.13
<u>1,201,130,456</u> Rights Shares to be allotted and issued under the Rights Issue	<u>12,011,304.56</u>
<u>3,603,391,369</u>	<u>36,033,913.69</u>

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the main board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company has no outstanding derivatives, options, warrants or securities in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

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

### 3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company and 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 and short positions which 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 were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

#### Long positions in the Shares

Name of Directors	Capacity	Number in Shares	Approximate percentage of shareholding
Mr. Wong Danny F.	Beneficial owner	296,338,637	12.34%

As at the Latest Practicable Date, no options over Shares have been granted to the current Directors under the 2012 Share Option Scheme of the Company.

#### Notes:

- The interest is held by CCM Asia Investment Corporation, a company wholly and beneficially owned by Mr. Wong Danny F.
- The percentage shareholding in the Company is calculated by reference to the number of Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the 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 (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.



#### 4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, the Company has 2,402,260,913 Shares in issue. Save as disclosed below, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no person or company had an interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or 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 other member of the Group or had any option in respect of such capital:

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Approximate percentage of shareholding</b>
Mr. Wong Danny F.	Beneficial owner	296,338,637	12.34%

*Note:*

296, 338, 637 represent beneficial interests in Shares owned by CCM Asia Investment corporation, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is indirectly held by Mr. Wong Danny F., the chairman and an executive Director of the Company. These Shares have been charged in favour of a secured lender.

#### 5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

None of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 31 December 2016, the date to which the latest published audited consolidated financial statements of the Group were made up.

There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

#### 6. EXPERT AND CONSENT

The following is the qualifications of the expert who has given opinions or advice, which are contained in this Prospectus:

<b>Name</b>	<b>Qualification</b>
HLB Hodgson Impey Cheng Limited	Certified public accountants, Hong Kong

As at the Latest Practicable Date, HLB Hodgson Impey Cheng Limited did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legal enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Company were made up.

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

## **7. SERVICE CONTRACTS**

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

## **8. LITIGATION**

As at the Latest Practicable Date, there is no litigation or claims of material importance pending or threatened against any member of the Group.

## **9. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this prospectus and are or may be material:

1. The Underwriting Agreement;
2. a placing agreement dated 28 February 2017 entered into between the Company and Beijing Securities Limited regarding the placing up to 110,000,000 Shares under the general mandate in the net proceeds of approximately HK\$15.15 million on a best effort basis;
3. a settlement deed dated 8 February 2017 (as supplemented by two supplemental deeds dated 5 May 2017 and 9 June 2017 respectively) entered into between the Company and Citizens Money Lending Corporation Limited (the “Citizens”) in relation to the settlement of the outstanding debt and interests thereon due from the Company to Citizens;

4. a placing agreement dated 6 January 2017 entered into between the Company and Beijing Securities Limited regarding the placing up to 160,000,000 Shares under the general mandate in the maximum net proceeds of approximately HK\$15.52 million on a best effort basis;
5. a placing agreement dated 20 December 2016 entered into between the Company and Beijing Securities Limited regarding the placing up to 48,000,000 Shares under the general mandate in the maximum net proceeds of approximately HK\$5.26 million on a best effort basis;
6. a placing agreement dated 13 July 2016 entered into between the Company and Beijing Securities Limited regarding the placing up to 82,000,000 Shares under the general mandate in the maximum net proceeds of approximately HK\$22.27 million on a best effort basis;
7. a deed of promissory note and confirmation dated 20 June 2016 executed among the Company, certain subsidiaries of the Company (namely Massive Shine Limited, Old Peak Limited, Eighty Riches Limited, Union Power Holdings Ltd. and Fine East Trading Ltd.) and Hansom Finance Limited in respect of the terms of repayment of the outstanding debt due by the Company; and
8. a placing agreement dated 15 January 2016 entered into between the Company and Freeman Securities Limited regarding the placing up to 291,126,270 Shares under the general mandate in the maximum net proceeds of approximately HK\$90 million on a best effort basis.

## 10. CORPORATION INFORMATION

<b>Registered office</b>	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
<b>Principal place of business in Hong Kong</b>	20/F., Octa Tower 8 Lam Chak Street Kowloon Bay, Hong Kong
<b>Authorised representatives in Hong Kong</b>	Mr. Law Kim Fai Mr. Wu Tse Wai, Frederick
<b>Company secretary</b>	Mr. Law Kim Fai

<b>Underwriter of the Rights Issue</b>	Enhanced Securities Limited 37/F, Times Tower, 393 Jaffe Road, Wanchai, Hong Kong
<b>Legal advisers to the Company</b>	<i>As to Hong Kong Law:</i> Shum & Co., Solicitors Suites 2801-03 & 06 28/F., China United Centre 28 Marble Road North Point Hong Kong
<b>Auditors and reporting accountants</b>	HLB Hodgson Impey Cheng Limited <i>Certified Public Accountants</i> 31/F Gloucester Tower The Landmark 11 Pedder Street Central Hong Kong
<b>Principal share registrar in the Caymans Islands</b>	SMP Partners (Cayman) Limited Royal Bank House 3rd Floor, 24 Shedden Road, P.O. Box 1586, Grand Cayman KY1-1110 Cayman Islands
<b>Hong Kong branch Share Registrar and Transfer office</b>	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
<b>Principal bankers</b>	OCBC Wing Hang Bank Limited 161 Queen's Road Central Hong Kong  Industrial and Commercial Bank of China (Asia) Limited 33/F., ICBC Tower 3 Garden Road Central Hong Kong

**Particulars of Directors and Senior Management*****Name and address of Executive Directors, Non-executive Directors and Senior Management***

<b>Name</b>	<b>Correspondence Address</b>
<i>Executive Directors</i>	
Mr. Wong Danny F. ( <i>Chairman</i> )	20/F., Octa Tower 8 Lam Chak Street Kowloon Bay, Hong Kong
Mr. Wu Tse Wai, Frederick	20/F., Octa Tower 8 Lam Chak Street Kowloon Bay, Hong Kong
Mr. Fong Chi Wah	20/F., Octa Tower 8 Lam Chak Street Kowloon Bay, Hong Kong
<i>Independent Non-Executive Directors</i>	
Mr. Char Shik Ngor, Stephen	20/F., Octa Tower 8 Lam Chak Street Kowloon Bay, Hong Kong
Mr. Liu Jin	20/F., Octa Tower 8 Lam Chak Street Kowloon Bay, Hong Kong
Mr. Law Tze Lun	20/F., Octa Tower 8 Lam Chak Street Kowloon Bay, Hong Kong
<i>Chief Executive Officer</i>	
Mr. Feng Wen	20/F., Octa Tower 8 Lam Chak Street Kowloon Bay, Hong Kong

*Executive Directors*

Mr. Wong Danny F., aged 55, was appointed as an executive director of the Company on 21 May 2007. Mr. Wong holds a Bachelor's degree in Economics and Accounting from China Central University of Finance and Economics. Mr. Wong has over 20 years of experience in investment project evaluation, listing planning and asset management. From 2001 to 2005, Mr. Wong was an executive director of Sun Hung Kai International Limited and was in charge of investment banking and responsible for public listing of companies and fund raising activities for private and listed companies. For the period from June 2009 to August 2009, Mr. Wong was an executive director of Mission Capital Holdings Limited (formerly known as Poly Capital Holdings Limited) (Stock code: 1141), a company listed on the Stock Exchange. For the period from February 2014 to June 2014, Mr. Wong served as an executive director and the chairman of HengTen Networks Group Limited (formerly known as Mascotte Holdings Limited) (Stock code: 136), a company listed on the Stock Exchange. Since 26 November 2014, Mr. Wong has been a non-executive director of Celyad S.A. (formerly known as Cardio3 Biosciences S.A.) (Symbol: CYAD), a limited liability company listed on NYSE Euronext Brussels, NYSE Euronext Paris regulated markets as well as the National Association of Securities Dealers Automated Quotations (NASDAQ) in the United States of America in the form of American depository shares.

Mr. Wu Tse Wai, Frederick, aged 76, was appointed as an executive director of the Company on 6 January 2004. He also served as the Chief Executive Officer of the Company for the period from 1 November 2005 to 19 May 2014 and the period from 31 August 2015 to 20 March 2016. Mr. Wu was educated in Hong Kong and the United States with a Master of Business Administration degree in Finance. He has over 43 years of experience in insurance, securities business and asset management. He started his career with Paul Revere Life Insurance Company as an assistant actuary. He later worked for Fidelity Management and Research of Boston as an analyst and then moved on to senior positions in research and fund management with various well-known institutions in the United States. In the early 80s, Mr. Wu joined and served as a senior portfolio manager and investment advisor at Bank of America in Hong Kong. In the 90s, Mr. Wu joined and was elected as a director and senior consultant of Lippo Securities Group Limited ("Lippo Securities Group"). He was a member of Lippo Securities Group investment committee and was responsible for supervising the fund management activities including futures-related investments of Lippo Securities Group. Mr. Wu is currently a responsible officer registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Mr. Fong Chi Wah, aged 55, was appointed as an executive director of the Company on 1 November 2005. Mr. Fong is a Chartered Financial Analyst, a fellow of CPA Australia and Hong Kong Institute of CPA, a member of the Institute of Certified Management Accountants, Australia, and a fellow of the Hong Kong Institute of Directors. He holds a Bachelor's Degree majoring in Management Science (Economics) from Lancaster University in the United Kingdom, a Master's degree in Business Administration from Warwick University, United Kingdom, a Master's degree in Investment Management from the Hong Kong University of Science and Technology, a Master's degree in Practising Accounting from Monash University, Australia and a Doctorate in Business Administration from the Hong Kong Polytechnic University and a Juris Doctor from Chinese University of Hong Kong. Mr. Fong has over 25 years of extensive experience in various sectors of financial industry, including direct investment, project and structured finance and capital markets with focus on the PRC and Hong Kong. Mr. Fong was previously a director of Baring Capital (China) Management Limited and held various management positions in ING Bank. Mr. Fong was previously also an executive director of Grand Investment International Limited (15 April 2003 (date of incorporation) to 1 April 2006), a company listed on the Stock Exchange. Mr. Fong has been serving as an independent non-executive director of China Innovationpay Group Limited (formerly known as SYSCAN Technology Holdings Limited) since 19 December 2003 and Real Nutriceutical Group Limited (formerly known as Ruinian International Limited) since 28 March 2008, both of which are listed on the Stock Exchange.

#### ***Independent Non-executive Directors***

Mr. Char Shik Ngor, Stephen, aged 68, was appointed as an independent non-executive director of the Company on 22 May 2007. Mr. Char holds a Bachelor of Laws degree (Honours) from the University of London, a Master's degree in Social Sciences (Criminology) from the University of Hong Kong, a Master's degree in Social Sciences (Counselling) from the University of Hong Kong and a Post-graduate Certificate in Laws from City University of Hong Kong. Mr. Char had been a Chief Investigator and Senior Assignment Officer of the Independent Commission Against Corruption in Hong Kong from 1976 to 2004. Mr. Char was a Chief Executive Officer of Garner Forest Industries Limited. Mr. Char is a Barrister at Law and an Accredited Mediator. Mr. Char has been serving as an independent non-executive director of China Uptown Group Company Limited (stock code: 2330) since September 2015, which is listed on the Main Board of the Stock Exchange.

Mr. Liu Jin, aged 42, was appointed as an independent non-executive director of the Company on 21 May 2007. Mr. Liu holds a Bachelor's degree in International Economic Law from the Zhongnan University of Economics and Law. Mr. Liu has been a qualified solicitor in the PRC since 2001 and has various experience in merger and acquisition and corporate restructure in the PRC. Mr. Liu is currently a qualified solicitor practicing in Shenzhen, the PRC.

Mr. Law Tze Lun, aged 45, was appointed as an independent non-executive director of the Company on 12 December 2013. Mr. Law is a practising Certified Public Accountant in Hong Kong and is currently a director of ANSA CPA Limited. Mr. Law obtained a Bachelor's degree in Commerce (Accounting) from Curtin University of Technology. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of the CPA Australia. He has over 20 years of experience in auditing, accounting and finance gained from various accounting firms in Hong Kong. Mr. Law has been serving as an independent non-executive director of Come Sure Group (Holdings) Limited (stock code: 794) since February 2009 and Gemini Investments (Holdings) Limited (stock code: 174) since November 2010, both of which are listed on the Main Board of the Stock Exchange. During the period from April 2010 to September 2011, Mr. Law served as an independent non-executive director of China Automotive Interior Decoration Holdings Limited (stock code: 8321), which was listed on the GEM Board of the Stock Exchange.

***Chief Executive Officer***

Mr. Feng Wen, aged 49, was appointed as the Chief Executive Officer of the Company on 21 March 2016. He graduated from the Medical Department of the Third Military Medical University in 1992 and holds a Master's degree from the School of Public Administration, Renmin University of China (中國人民大學) in 2006. Mr. Feng had worked for the General Office of the Ministry of Health of the PRC and a number of military hospitals for over 20 years. Mr. Feng is currently the chairman of the board of Zhong He Hou De Investment Management Co., Ltd, as well as an independent non-executive director of Golden Meditech Holdings Limited (stock code: 801), which is listed on the Main Board of the Stock Exchange.

**11. MISCELLANEOUS**

The English text of this Prospectus shall prevail over the Chinese text in case of inconsistencies.

**12. EXPENSES**

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$1.76 million and will be payable by the Company.



**13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to under the paragraph headed “Expert and Consent” in this Appendix, 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).

**Documents Available for Inspection**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this prospectus up to and including Thursday, 21 December 2017:

- a) the Memorandum and the Articles;
- b) the annual reports of the Company for the years ended 31 December 2014, 31 December 2015 and 31 December 2016 respectively and the interim report of the Company for the six months ended 30 June 2017;
- c) the letter on the unaudited pro forma financial information of the Group issued by HLB Hodgson Impey Cheng Limited set out in appendix II to this Prospectus;
- d) the written consent given by HLB Hodgson Impey Cheng Limited referred to this appendix;
- e) the material contracts disclosed in the paragraph under the heading “Material Contracts” in this Appendix; and
- f) this Prospectus.