
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" 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) Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of these documents.

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

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of each of the Prospectus Documents, make no representation as to their 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 these documents.



CHINA INVESTMENT AND FINANCE GROUP LIMITED

中國投融資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1226)

PROPOSED OPEN OFFER ON THE BASIS OF ONE OFFER SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE AND CHANGE OF BOARD LOT SIZE

Underwriter of the Open Offer



英皇證券(香港)有限公司
Emperor Securities Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this prospectus.

It should be noted that the Underwriting Agreement in respect of the Open Offer contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to the Latest Time for Termination to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" in this prospectus. If the Underwriting Agreement is terminated in accordance with the terms thereof, the Open Offer will not proceed. In addition, the Open Offer is conditional upon all conditions set out in the paragraph headed "Conditions of the Open Offer" under the section headed "Letter from the Board" in this prospectus being fulfilled or waived (as applicable). If such conditions have not been satisfied or waived (as applicable) in accordance with the Underwriting Agreement on or before the time and dates specified therein, the Underwriting Agreement shall terminate and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach).

It should be noted that the Shares have been dealt in on an ex-entitlement basis commencing from Thursday, 19 June 2014. Any Shareholders or other persons contemplating any dealings in the Shares are recommended to consult their own professional advisers.

The latest time for acceptance of and payment for the Offer Shares is 4:00 p.m. on Wednesday, 16 July 2014. The procedures for acceptance and payment for the Offer Shares are set out in the paragraph headed "Procedures for application and payment for the Offer Shares" under the section headed "Letter from the Board" in this prospectus.

2 July 2014

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DEFINITIONS

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 9 June 2014 in relation to the Open Offer and change of board lot size
“Application Form(s)”	the application form(s) to be used by the Qualifying Shareholders to apply for the Offer Shares in connection with the Open Offer in such form as may be agreed between the Company and the Underwriter
“Articles”	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
“Companies (Winding Up) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	China Investment and Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 1226)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries and the expression “member of the Group” shall be construed accordingly
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Investment Manager”	China Everbright Securities (HK) Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, the investment manager of the Company
“Latest Practicable Date”	26 June 2014, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Last Trading Day”	6 June 2014, being the last trading day for the Shares prior to the publication of the Announcement
“Latest Time for Acceptance”	the latest time for acceptance of, and payment for the Offer Shares at 4:00 p.m. on Wednesday, 16 July 2014 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m. on Monday, 21 July 2014, being the third Business Day after the Latest Time for Acceptance
“Net Asset Value”	the net asset value of the Company calculated in accordance with the provisions of the Articles
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making relevant enquiries as required under the Listing Rules, consider it necessary or expedient not to offer the Open Offer on account either of legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s)
“Offer Share(s)”	Share(s) to be allotted and issued under the Open Offer, being 290,790,000 Shares
“Open Offer”	the proposed issue by way of open offer, subject to the fulfillment of certain conditions precedent, of 290,790,000 Offer Shares for subscription by the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held by a Qualifying Shareholder on the Record Date for the Offer Shares at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“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 and beneficial owners of Shares at the time who are otherwise known to the Company to be resident in a place(s) outside Hong Kong

DEFINITIONS

“Posting Date”	such date as may be agreed in writing between the Company and the Underwriter for the posting of the Prospectus Documents to Qualifying Shareholders, which is currently expected to be Wednesday, 2 July 2014
“PRC”	the People’s Republic of China which, for the purpose of this prospectus, shall exclude Hong Kong, Macau and Taiwan
“Prospectus Documents”	this prospectus and the Application Form(s)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 27 June 2014 (or such other date as the Underwriter may agree with the Company in writing), as the date by reference to which entitlements to the Open Offer are expected to be determined
“Registrar”	Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.20 per Offer Share
“Taiwan”	Taiwan, the Republic of China
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“Underwriter” or “Emperor Securities”	Emperor Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, the underwriter of the Open Offer
“Underwriting Agreement”	the underwriting agreement dated 9 June 2014 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	up to 290,790,000 Offer Shares
“US\$”	the lawful currency of the United States of America
“%” or “per cent.”	percentage or per centum

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out as follows:

2014

(Hong Kong time)

Despatch of the Prospectus Documents	Wednesday, 2 July
Latest time for acceptance and payment for the Offer Shares	4:00 p.m. on Wednesday, 16 July
Latest time for termination of the Underwriting Agreement by the Underwriter	4:00 p.m. on Monday, 21 July
Announcement of the results of the Open Offer	Tuesday, 22 July
Despatch of share certificates for Offer Shares	Wednesday, 23 July or refund cheques (if the Open Offer is terminated)
Expected first day of dealing in Offer Shares on the Stock Exchange	Thursday, 24 July
Effective date of change of the board lot size from 4,000 Shares to 8,000 Shares	Thursday, 24 July
Designated broker starts to stand in the market to provide matching services	Thursday, 24 July
Last day for the designated broker to stand in the market to provide matching services	Wednesday, 13 August

All times and dates in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be announced as and when appropriate in accordance with the Listing Rules.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE OFFER SHARES

The Latest Time for Acceptance will be postponed 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 Wednesday, 16 July 2014. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day.
 - ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 16 July 2014. Instead the Latest Time of Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates mentioned in the section headed “Expected timetable” in this prospectus may be affected. An announcement will be made by the Company in such event accordingly.

TERMINATION OF THE UNDERWRITING AGREEMENT

Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may terminate the arrangement set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if the Underwriter becomes aware of

- (I) the fact that there shall develop, occur, exist or come into effect:
 - (a) any new law or regulation or any change in existing laws or regulations in Hong Kong or any other place that is the place of incorporation of any member of the Group, or in which any member of the Group conducts or carries on business; or
 - (b) any material adverse change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or
 - (c) any material adverse change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or
 - (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out,

and in the absolute opinion of the Underwriter, such change has or would have a material and adverse effect on the business, financial or trading position of the Company or the Group as a whole or the success of the Open Offer or make it inadvisable or inexpedient to proceed with the Open Offer; or

- (II) other than information previously disclosed in public announcement(s) by/of the Company, any material adverse change in relation to the business or the financial or trading position or prospects of the Company or any members of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company or the Open Offer.

In the event that the Underwriter and/or the Company terminates the Underwriting Agreement in accordance with the Underwriting Agreement, all obligations of each of the parties under the Underwriting Agreement shall cease and no party shall have any claim against any party in respect of any matter arising out of or in connection with the Underwriting Agreement except for (a) any antecedent breach of any obligation under the Underwriting Agreement; and (b) indemnities pursuant to the Underwriting Agreement and reasonable out-of-pocket expenses (excluding sub-underwriting fees and related expenses as well as legal fees) of the Underwriter in respect of the Open Offer pursuant to the Underwriting Agreement.

If the Underwriting Agreement is terminated at such time on or before the Latest Time for Termination but after the Underwriter has paid or procured payment to the Company of the aggregate Subscription Price in respect of the Underwritten Shares for which the Underwriter is obliged to subscribe or procure subscription under the Underwriting Agreement, the Company shall, not later than 4:00 p.m. on the first Business Day after (but not including) the date of receipt of the notice of termination issued pursuant to the Underwriting Agreement, remit to the Underwriter such amount of aggregate Subscription Price which it has received from the Underwriter.

If the Underwriting Agreement is terminated, the Open Offer will not proceed.

LETTER FROM THE BOARD



CHINA INVESTMENT AND FINANCE GROUP LIMITED

中國投融資集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1226)

Executive Director:

Mr. CHAN Cheong Yee

Non-executive Directors:

Mr. LIAO Jintian

Mr. ZHOU Weiquan *(duties, rights and position
suspended from 4 June 2014)*

Mr. ZHOU Han Jie

Independent non-executive Directors:

Mr. HA Tak-kong

Mr. LEUNG Kwong Kin

Mr. TSANG Hin Man Terence

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business:

Unit 03 & 05, 32/F

Sino Plaza

255-257 Gloucester Road

Causeway Bay

Hong Kong

2 July 2014

To the Qualifying Shareholders

Dear Sir or Madam,

**PROPOSED OPEN OFFER ON THE BASIS OF
ONE OFFER SHARE
FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE
AND
CHANGE OF BOARD LOT SIZE**

INTRODUCTION

Reference is made to the Announcement in relation to the Open Offer. The Company announced that it proposed to raise approximately HK\$58.1 million before expenses by way of Open Offer of 290,790,000 Offer Shares, on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.20 per Offer Share. No excess application of Offer Shares will be available.

LETTER FROM THE BOARD

The purpose of this prospectus is to provide you with details regarding the Open Offer, including information on dealing in and application for the Offer Shares, financial and other information in respect of the Group.

PROPOSED OPEN OFFER

Open Offer statistics

Basis of the Open Offer	:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	:	581,580,000 Shares
Number of Offer Shares	:	290,790,000 Offer Shares (assuming no further issue of new Shares on or before the Record Date)
Subscription Price	:	HK\$0.20 per Offer Shares with nominal value of HK\$0.20 each
Underwriter	:	Emperor Securities
Enlarged issued share capital of the Company upon completion of the Open Offer	:	872,370,000 Shares
Funds to be raised before expenses	:	HK\$58,158,000

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 290,790,000 Offer Shares proposed to be allotted and issued represent 50% of the Company's issued share capital as at the Latest Practicable Date and approximately 33% of the Company's issued share capital as enlarged by the allotment and issue of the 290,790,000 Offer Shares immediately after completion of the Open Offer.

Basis of entitlement

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being 290,790,000 Offer Shares at the Subscription Price. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price for the Offer Shares is HK\$0.20 per Offer Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant entitlement of Offer Shares.

The Subscription Price represents:

- (i) a discount of approximately 47.4% to the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 37.5% to the theoretical ex-entitlement price of approximately HK\$0.32 per Share based on the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 51.8% to the average closing price of HK\$0.415 per Share for the last five consecutive trading days including and up to the Last Trading Day; and
- (iv) a discount of approximately 39.4% to the closing price of HK\$0.33 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 the prevailing market price of the Shares. Each of the Qualifying Shareholder will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date. The Directors (except for Mr. Zhou Weiquan whose duties, rights and position have been suspended from 4 June 2014) consider that the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share 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.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will only send the Prospectus Documents to the Qualifying Shareholders. However, the Company will, to the extent practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only.

To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date:

- 1. be registered as a member of the Company; and
- 2. be a Qualifying Shareholder.

As at the Latest Practicable Date, the Company has not received any information or irrevocable undertakings from any substantial Shareholders of their intention to take up the securities provisionally allotted or offered to them or to be provisionally allotted or offered to them.

LETTER FROM THE BOARD

Qualifying Shareholders who take up their pro rata entitlements in full under the Open Offer will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Open Offer, his/her/its proportionate shareholding in the Company will be diluted.

Overseas Shareholders and Non-Qualifying Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than in Hong Kong. Based on the register of members of the Company, the Company did not have any Overseas Shareholders as at the Record Date. Accordingly, there are no Non-Qualifying Shareholders under the Open Offer.

Fractions of the Offer Shares

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and taken up by the Underwriter. The Company will not provisionally allot any fractions of the Offer Shares.

Procedures for application and payment for the Offer Shares

An Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Offer Shares shown therein. Qualifying Shareholders should note that they may apply for any number of Offer Shares only up to the number set out in the Application Forms respectively addressed to them. If the Qualifying Shareholders wish to apply for all or any less number of the Offer Shares as specified in the Application Form addressed to them, they must lodge the Application Form in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar no later than 4:00 p.m. on Wednesday, 16 July 2014. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "China Investment and Finance Group Limited — Open Offer Account" and crossed "account payee only". It should be noted that unless the duly completed Application Form, together with the appropriate remittance, has been lodged with the Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Wednesday, 16 July 2014, the entitlements of the respective Qualifying Shareholders under the Open Offer and all rights thereunder will be deemed to have been declined and will be cancelled.

The Application Form contains further information regarding the procedures to be followed if Qualifying Shareholders wish to accept the whole or part of their entitlement of the Offer Shares.

All cheques or 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 Application Form with a cheque or a cashier's order will constitute a warranty by the applicant 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 application in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the relevant entitlements and all rights thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

The Application Form is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any acceptance monies received. If the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination or if any of the conditions of the Open Offer as set out in the sub-paragraph headed “Conditions of the Open Offer” in the paragraph headed “Underwriting arrangement” below is not fulfilled or waived (as applicable) at or before the time and date specified in the Underwriting Agreement, the monies received in respect of acceptances of the Offer Shares will be returned to the Qualifying Shareholders or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at their own risk to their respective registered addresses by the Registrar on or before Wednesday, 23 July 2014.

No application for excess Offer Shares

No application for excess Offer Shares will be available to any Qualifying Shareholders to apply for any Offer Share in excess of their respective assured entitlements since each Qualifying Shareholder will be given an equal and fair opportunity to participate in the Company’s future development by subscribing for his/her/its assured entitlements under the Open Offer. If an application for excess Offer Shares is arranged, the Company would be required to put in additional efforts and costs to administer the excess application procedures.

Any Offer Shares not taken up by Qualifying Shareholders and any Offer Shares which the Non-Qualifying Shareholders would otherwise have been entitled (if any) will be taken up by the Underwriter.

Status of the Offer Shares

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

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 Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

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

LETTER FROM THE BOARD

Share certificates and refund cheques for the Open Offer

Subject to the fulfillment of the conditions of or waiver (as applicable) of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares are expected to be posted on or before Wednesday, 23 July 2014 by ordinary post to the Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares at their own risk. If the Open Offer is terminated, refund cheques will be despatched on or before Wednesday, 23 July 2014 by ordinary post at the respective Shareholders' own risk.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

Date	:	9 June 2014
Underwriter	:	Emperor Securities
Total number of Offer Shares being underwritten by the Underwriter	:	The Underwriter has conditionally agreed, pursuant to the Underwriting Agreement, to underwrite the Offer Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, up to 290,790,000 Offer Shares, subject to the terms and conditions of the Underwriting Agreement
Commission	:	2.0% of the aggregate Subscription Price of the Underwritten Shares

The underwriting commission was determined after arm's length negotiations between the Company and the Underwriter with reference to the prevailing market rate. The Directors (including the independent non-executive Directors but excluding Mr. Zhou Weiquan whose duties, rights and position have been suspended from 4 June 2014) consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to the Underwriting Agreement and as confirmed by the Underwriter, the Underwriter shall:

1. use its best endeavours to ensure that the subscribers for any Underwritten Shares are independent of and not connected or acting in concert with the Directors, chief executive or substantial Shareholders of the Company or any of its subsidiaries or any of their respective associates;

LETTER FROM THE BOARD

2. ensure that it shall not, whether by itself or together with parties acting in concert with it (if any), hold more than 30% of the issued share capital of the Company upon completion of the Open Offer or otherwise trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter in respect of performing its obligations under the Underwriting Agreement; and
3. use its best endeavours to ensure that the sub-underwriter(s) and subscribers for Underwriters Shares shall be professional investors as defined in the SFO.

Listing Rules implications

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding the date of the Announcement and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or substantial shareholder of the Company (or an associate of any of them), the Open Offer is not subject to Shareholders' approval under the Listing Rules.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions precedent being fulfilled and/or waived on or before the Latest Time for Termination:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies respectively one copy of the Prospectus Documents each duly signed by two Directors of the Company (or by their duly authorised agents) in accordance with the relevant requirements under section 342C of the Companies (Winding Up) Ordinance and otherwise in compliance with the Listing Rules and the Companies (Winding Up) Ordinance not later than the Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Posting Date and the Prospectus to the Non-Qualifying Shareholders for information only;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant in principle (subject to allotment of Offer Shares) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares;
- (d) compliance by the Company with certain obligations under the Underwriting Agreement including obligations in connection with the making of the Open Offer and allotment and offer of the Offer Shares by the times specified in the Underwriting Agreement;
- (e) the trading of the Shares not having been suspended for a consecutive period of more than ten trading days prior to the Latest Time for Termination (excluding any suspension in connection with the clearance of the announcement or Prospectus Documents or other announcements in connection with the Open Offer);
- (f) the Underwriting Agreement not having been terminated by the Underwriter pursuant to the terms of the Underwriting Agreement;

LETTER FROM THE BOARD

- (g) the Underwriter and its respective parties acting in concert not being obliged to make a mandatory offer pursuant to Rule 26 of the Takeovers Code by reason of the Underwriter taking up any of the Underwritten Shares; and
- (h) by the Latest Time for Termination, (i) no material breach of any of the warranties or the undertakings referred to in the Underwriting Agreement having come to the knowledge of the Underwriter, and (ii) a matter not having arisen which would reasonably be expected to give rise to a material breach or material claim under the Underwriting Agreement.

None of conditions (a), (b), (c) or (g) may be waived. Conditions (d), (e), (f) and (h) may be waived (in whole or in part) by the Underwriter. In the event that any of the conditions has not been satisfied and/or waived (where applicable) in whole or in part pursuant to the terms of the Underwriting Agreement no later than the Latest Time for Termination, the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise, save for all reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer in accordance with the Underwriting Agreement and any antecedent breach of the Underwriting Agreement.

If the Underwriting Agreement is terminated, the Open Offer will not proceed.

WARNING OF THE RISKS OF DEALING IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional, inter alia, upon the fulfilment or waiver (as applicable) of the conditions set out under the paragraph headed “Conditions of the Open Offer” above. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms. Accordingly, the Open Offer may or may not proceed and the Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

Any dealings in the Shares up to the date on which all the conditions of the Open Offer are fulfilled or waived (as applicable), which is expected to be at 4:00 p.m. on Monday, 21 July 2014, will accordingly bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are recommended to consult their own professional advisers.

PROFESSIONAL TAX ADVICE RECOMMENDED

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Offer Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Offer Shares. It is emphasised that none of the Company, the Directors nor any other parties involved in the Open Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Offer Shares.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and the possible shareholding structure of the Company immediately after completion of the Open Offer, assuming there is no other change in the shareholding structure of the Company since the Latest Practicable Date:

	As at the		Immediately after		Immediately after	
	Latest Practicable Date		completion of the Open Offer		completion of the Open Offer	
	<i>Number of</i>	<i>%</i>	<i>Number of</i>	<i>%</i>	<i>Number of</i>	<i>%</i>
	<i>Shares</i>	<i>(approx.)</i>	<i>Shares</i>	<i>(approx.)</i>	<i>Shares</i>	<i>(approx.)</i>
			Shares are taken up by the		Shares are taken up by the	
			Qualifying Shareholders)		Qualifying Shareholders)	
Tycor Development Limited (Note 1)	170,576,000	29.33	255,864,000	29.33	170,576,000	19.55
Wei Zhuo Fu (Note 2)	40,928,000	7.04	61,392,000	7.04	40,928,000	4.69
Zhou Han Jie (Note 3)	256,000	0.04	384,000	0.04	256,000	0.03
Public Shareholders	369,820,000	63.59	554,730,000	63.59	369,820,000	42.40
The Underwriter (Note 4)	–	–	–	–	290,790,000	33.33
Total	581,580,000	100	872,370,000	100	872,370,000	100

Notes:

1. Tycor Development Limited is interested in 170,576,000 Shares as at the Latest Practicable Date. Mr. Liao Jintian and Mr. Zhou Weiquan, non-executive Directors of the Company, beneficially owns approximately 11.68% and 10.15% respectively of the issued shares of Tycor Development Limited.
2. Mr. Wei Zhuo Fu is interested in 40,928,000 Shares as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Wei Zhuo Fu has no relationship with any Directors, senior management or other substantial or controlling Shareholder.
3. Mr. Zhou Han Jie, a non-executive Director, holds approximately 11.19% of the issued shares of Tycor Development Limited. Mr. Zhou Han Jie also holds 256,000 Shares, representing approximately 0.04% of the total issued Shares of the Company as at the Latest Practicable Date.
4. This scenario is for illustration purpose only. Pursuant to the Underwriting Agreement, the Underwriter has undertaken that it shall not, whether by itself or together with parties acting in concert with it (if any), hold more than 30% of the issued share capital of the Company upon completion of the Open Offer or otherwise trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the Underwriter in respect of performing its obligations under the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Underwriter shall use its best endeavours to ensure that the subscribers for any Underwritten Shares shall be third parties independent of and not connected with the Company, any of the Directors, chief executive or any substantial Shareholders (if any) of the Group or any of their respective associates and the subscribers for any Underwritten Shares are not acting in concert with any connected persons of the Company and their respective associates.

LETTER FROM THE BOARD

CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 4,000 Shares each and the market value of each board lot is HK\$1,520 (based on the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Date). In order to increase the value of each board lot of the Shares so that the value of each board lot of the Shares will not be less than HK\$2,000, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size for trading of the Shares from 4,000 Shares to 8,000 Shares with effect from Thursday, 24 July 2014. Based on the theoretical ex-entitlement price of the Shares of HK\$0.32 with reference to the closing price on the Last Trading Date, the new estimated board lot value would be approximately HK\$2,560. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed Emperor Securities as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from Thursday, 24 July 2014 to Wednesday, 13 August 2014 (both days inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Mr. Eric Leung of Emperor Securities at 23-24/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong (telephone: (852) 2836 2652 and facsimile: (852) 2893 1540) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

All existing share certificates in board lot of 4,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 4,000 Shares to new share certificates in board lot size of 8,000 Shares is necessary. With effect from Thursday, 24 July 2014, any new certificate of the Shares will be issued in new board lot size of 8,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are securities trading, investment holding and rendering of consultancy services. Based on the Subscription Price of HK\$0.20 and assuming no change in the Shareholding structure of the Company from the Latest Practicable Date to immediately after completion of the Open Offer, the gross proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$58.1 million (before expenses). The net proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$56.6 million (after expenses). The Company intends to apply the net proceeds from the Open Offer for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company.

LETTER FROM THE BOARD

As at 31 March 2014, the Group had bank balances and cash on hand of approximately HK\$34 million which was placed in bank as deposits and the rest of HK\$20 million was placed in the Investment Manager for short term investments. As at 31 March 2014, the Group's investment portfolio of approximately HK\$279.6 million was diversified among listed equities, listed debt securities, investment funds, convertible bonds and direct investment in unlisted equities.

The estimated net proceeds from the Open Offer will be approximately HK\$56.6 million. The Company intends to apply the net proceeds from the Open Offer (i) as to approximately HK\$45.6 million for future investment opportunities of the Group if suitable activities are identified; and (ii) as to approximately HK\$11 million for general working capital. As for the HK\$45.6 million which will be used for future investments of the Group, in light of the positive outlook of PRC economics, the Group will continue to implement diversified investment strategies aiming at identifying suitable investment opportunities with potential asset appreciation in order to bring about better return to the Group and the Shareholders. The Group will also continue to adopt and maintain a prudent but proactive investment approach and will continue to closely monitor the performance of the investment portfolios of the Group so as to deliver positive results and add value to the Shareholders. As at the Latest Practicable Date, the Company has not identified any specific types of investments and industry, and/or the forms of involvements that the Group targets to undertake.

Other than by way of open offer, the Board has considered other fund raising alternatives, including rights issue and bank borrowings. If compared to an open offer, (i) a rights issue would involve extra administrative work and costs for the trading arrangements in relation to nil-paid rights; and (ii) bank borrowings would result in additional interest burden and higher gearing ratio of the Group. As such, the Board (except Mr. Zhou Weiquan whose duties, rights and position have been suspended from 4 June 2014) is of the view that an open offer is more cost effective and efficient.

Furthermore, the Board (except Mr. Zhou Weiquan whose duties, rights and position have been suspended from 4 June 2014) considers that the Open Offer is in the interests of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and to allow Qualifying Shareholders an equal opportunity to maintain their proportionate interests in the Company and continue to participate in the future development of the Group should they wish to do so.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group expects the global market will continue to face significant challenge. The Group has relied on the strong growth of the PRC market in the past, however, as the PRC economy is maturing, slower future growth levels are to be expected.

The Directors will continue to take a prudent approach in managing the Group's investment portfolio and developing the investment strategies. Although PRC economic growth is expected to slow down, the Directors still expect an optimistic investment atmosphere in the PRC and will continue to invest in the PRC. The Group will continue to look for investment opportunities which offer outstanding returns under the acceptable risk in the portfolio of the Group. The Company would consider investing in certain unlisted securities and listed securities with high potential in order to diversify further market risk.

LETTER FROM THE BOARD

FUND RAISING IN THE PAST TWELVE MONTHS

The Company has not raised any funds by issuing any equity securities in the past twelve months before the Latest Practicable Date.

INJUNCTION APPLICATIONS

On 16 June 2014, the Company received a letter with a sealed copy of an originating summons (the “**Originating Summons**”) issued on 12 June 2014 by Mr. Wei Zhuofu (the “**Applicant**”) in the Court of First Instance of the High Court of Hong Kong (the “**Court**”) against (i) the Company as 1st defendant; and (ii) six Directors, namely, Mr. Chan Cheong Yee, Mr. Liao Jintian, Mr. Zhou Han Jie, Mr. Ha Tak-Kong, Mr. Leung Kwong Kin and Mr. Tsang Hin Man Terence as 2nd to 7th defendants, seeking a permanent injunction restraining the Company from proceeding with the Open Offer to existing Qualifying Shareholders of the Company.

The Applicant is one of the substantial shareholders of the Company within the meaning of the Listing Rules. As at the Latest Practicable Date, according to the Company’s record, the Applicant was interested in 40,928,000 Shares representing approximately 7.04% of the issued shares of the Company. The Applicant alleged in the Originating Summons that (i) the Open Offer constitutes a breach of directors’ fiduciary duty and duty of care and skill to the Company; and (ii) the Open Offer is made for improper purposes including the dilution of the Applicant’s shareholding in the Company. Hearing for the injunction application is scheduled on 11 July 2014 (the “**Hearing**”), before the latest time for acceptance and payment for the Offer Shares (which is on 16 July 2014).

On 17 June 2014, the Company received a letter with a copy of an interlocutory injunction (the “**Interlocutory Application**”) issued on 17 June 2014 by the Applicant in the Court against (i) the Company as 1st defendant; and (ii) six Directors, namely, Mr. Chan Cheong Yee, Mr. Liao Jintian, Mr. Zhou Han Jie, Mr. Ha Tak-Kong, Mr. Leung Kwong Kin and Mr. Tsang Hin Man Terence as 2nd to 7th defendants, seeking an interlocutory injunction restraining the Company from proceeding with the Open Offer to existing Qualifying Shareholders of the Company. The Applicant alleged in the Interlocutory Application that the Open Offer is made for improper purposes including the dilution of the Applicant’s shareholding in the Company.

The legal counsels of the Company attended the hearing for the Interlocutory Application on 19 June 2014. The Applicant’s case was dismissed by the High Court of Hong Kong and costs of the proceedings were awarded to all defendants.

No injunction order against the Open Offer has been granted by the Court and the Company will continue to defend in the coming Hearing scheduled on 11 July 2014. The Board wishes to emphasize that (i) under the Listing Rules, the Open Offer is not subject to Shareholders’ approval; and (ii) under the Open Offer, each Qualifying Shareholder, including the Applicant, is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company. The Board (except Mr. Zhou Weiquan whose duties, rights and position have been suspended from 4 June 2014) considers that the Open Offer is in the best interests of the Company and the Shareholders as a whole. Nevertheless, if an injunction order is granted by the Court in the Hearing, the Open Offer will not proceed. The Company will publish further announcement(s) as and when appropriate to keep the Shareholders informed of any updates.

LETTER FROM THE BOARD

For details, please refer to the Company's announcements dated 16 June 2014, 17 June 2014 and 19 June 2014.

ADDITIONAL INFORMATION

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

By order of the Board
China Investment and Finance Group Limited
Chan Cheong Yee
Executive Director

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2012, 2013 and 2014 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chnif.com):

- (a) annual report of the Company for the year ended 31 March 2012 published on 31 July 2012 (pages 23 to 84);
- (b) annual report of the Company for the year ended 31 March 2013 published on 19 July 2013 (pages 22 to 88); and
- (c) annual result announcement of the Company for the year ended 31 March 2014 published on 26 June 2014 (pages 1 to 18).

2. INDEBTEDNESS

As at the close of business on 26 June 2014, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this prospectus, the Group had no borrowing and no credit facilities obtained from financial institutions. Assets of the Group were free from any form of legal charge. As at the close of business on 26 June 2014, the Group did not have significant contingent liabilities.

Save as aforesaid or as otherwise disclosed herein and apart for intra-group liabilities, as at the close of business on 26 June 2014, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptable credits, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiries, are of the opinion that, after taking into account the cash flows generated from the operating activities, the financial resources available to the Group including internally generated funds, the available credit facilities and the estimated net proceeds from the Open Offer, the Group has sufficient working capital for at least the next twelve months from the date of this prospectus.

5. WORKING CAPITAL MANAGEMENT POLICY

Cash is required to pay for all assets and services subscribed by the Company and to meet future obligations as they come due. A sufficient level of cash should be kept available for daily operating expenses. It is the Company's practice to place its general working capital in bank to meet anticipated day-to-day expenditures and provide reasonable cushion for emergency spending.

A. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus from the independent reporting accountants of the Company, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong.



The Board of Directors
China Investment and Finance Group Limited
Suite 03&05, 32/F, Sino Plaza,
255-257 Gloucester Road,
Causeway Bay, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Investment and Finance Group 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 net tangible assets statement as at 31 March 2014, and related notes as set out in Appendix II to the prospectus issued by the Company. The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described in Appendix II to the prospectus.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the proposed open offer on the Group’s financial position as at 31 March 2014 as if the proposed open offer had taken place on 31 March 2014. As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s financial statements for the year ended 31 March 2014, on which an audit report has been published.

Directors’ Responsibilities 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 AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

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 addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the 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 unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2014 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.

Your faithfully,

Elite Partners CPA Limited

Certified Public Accountants

Hong Kong, 2 July 2014

Yip Kai Yin

Practising Certificate Number: P05131

B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma financial information of the Group (the “Unaudited Pro Forma Financial Information”) has been prepared in accordance with paragraph 4.29(1) of the Listing Rules set out below to illustrate the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group as if it had taken place on 31 March 2014.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Open Offer been completed as at 31 March 2014 or at any future date.

The following Unaudited Pro Forma Financial Information of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2014, extracted from the published annual result announcement of the Group for the year ended 31 March 2014, with adjustment described below:

Taking into account of 581,580,000 Shares in issue as at the Latest Practicable Date (a date after 23 June 2014, being the commencement date of the closure period of the register of members of the Company for the purpose of determining the eligibility and entitlements to the Open Offer), and there will be no change in the issued share capital of the Company from the Latest Practicable Date to the date of the Record Date, 290,790,000 Offer Shares will be issued under the Open Offer.

	Audited consolidated net tangible assets attributable to owners of the Company as at 31 March 2014 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 March 2014 <i>HK\$'000</i>	Audited consolidated net tangible assets attributable to owners of the Company per Share before the completion of the Open Offer <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after completion of the Open Offer <i>HK\$</i> <i>(Note 4)</i>
Based on 290,790,000 Offer Shares at subscription price of HK\$0.20 per Offer Share	<u>448,503</u>	<u>56,600</u>	<u>505,103</u>	<u>0.77</u>	<u>0.58</u>

Notes:

- (1) The audited consolidated net tangible assets attributable to owners of the Company as at 31 March 2014 has been extracted from the published annual result announcement of the Company for the year ended 31 March 2014.
- (2) The estimated net proceeds from the Open Offer of approximately HK\$56,600,000 are based on the 290,790,000 Offer Shares to be issued at the Subscription Price of HK\$0.20 per Offer Share and after deducting estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Open Offer, of approximately HK\$1,558,000.
- (3) The audited consolidated net tangible assets of the Group per share attributable to the owners of the Company before the completion of the Open Offer is determined based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2014 of approximately HK\$448,503,000 as disclosed in note 1 above, divided by 581,580,000 shares of the Company in issue as at 31 March 2014.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group after the completion of the Open Offer per share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2014 for the Open Offer of approximately HK\$505,103,000 divided by 872,370,000 shares which comprise 581,580,000 shares in issue as at 31 March 2014 and 290,790,000 Offer Shares to be issued after the completion of the Open Offer.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 March 2014.

This appendix serves as an additional disclosure requirements pursuant to Rule 21.09 of the Listing Rules in connection with the listing document of an 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.

INVESTMENT MANAGEMENT INFORMATION

Investment Manager	China Everbright Securities (HK) Limited 36/F Far East Finance Centre 16 Harcourt Road Hong Kong
Directors of the Investment Manager	Cheung Pang To 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong So Hin Pong 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong Chan Cheong Yee 36/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

The Investment Manager

China Everbright Securities (HK) Limited is a company incorporated in Hong Kong in 1991 with limited liability and is a corporation licensed under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities. As the Company's Investment Manager, it is responsible for making investment proposals in accordance with the investment management agreement entered into between the Company and the Investment Manager, the Articles and investment policies of the Company.

The biographical information of the directors of the Investment Manager is as follows:

Mr. Cheung Pang To ("Mr. Cheung") is the managing director and one of the responsible officers of the Investment Manager. Mr. Cheung is currently licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO accredited to the Investment Manager. He is also licensed to carry out Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities accredited to China Everbright Forex & Futures (HK) Limited and Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities accredited to China Everbright Securities Asset Management Limited. Mr. Cheung has over twenty years of experience in the finance and investment industry. For the past sixteen years, he has been working in dealing, marketing and portfolio management and operations and has also been actively involved in the investment management industry for the last nine years.

Mr. So Hin Pong (“Mr. So”) is a director and one of the responsible officers of the Investment Manager. Mr. So is currently licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO accredited to the Investment Manager. He is also licensed to carry out Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities accredited to China Everbright Forex & Futures (HK) Limited, and Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities accredited to China Everbright Securities Asset Management Limited. Mr. So has over twenty years of experience in the finance and investment industry. For the past sixteen years, he has been working in dealing, marketing and portfolio management and operations and has also been actively involved in the investment management industry for the last nine years.

Mr. Chan Cheong Yee (“Mr. CY Chan”) is one of the responsible officers of the Investment Manager. Mr. CY Chan is currently a licensed person to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading) and type 9 (asset management) regulated activities under the SFO. Mr. CY Chan obtained a Bachelor of Science degree from the College of Business Administration of The University of South Florida in the United States of America. Mr. CY Chan is experienced in dealing in securities, fund management, corporate management, corporate finance and managing listed investment companies under Chapter 21 of the Listing Rules. Mr. CY Chan is also currently the executive Director of the Company. For further information on Mr. CY Chan, please refer to the paragraph headed “Biographies of the Directors” of Appendix IV to this prospectus.

The Custodian

Since all the available-for-sale assets held by the Company are listed and unlisted equity and debt securities or unlisted convertible debt securities, the Company did not appoint any custodian bank to provide custodian services.

SPECIFIC 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 the 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 the prevailing market conditions as well as external factors beyond the control of the Company. The Company is also exposed to financial assets price risks as investments held by the Company are classified on the consolidated statement of financial position as financial assets at fair value through profit or loss. Investors should be aware of these risks when investing in the Company. Save as disclosed above, the Directors are of the view that an investment in the Company is not subject to other abnormal risks.

INVESTMENT OBJECTIVES AND POLICIES

The Company's investment objective is to achieve medium to long term (i.e. generally more than one year) capital appreciation, and interest incomes and dividends by investing principally in listed and unlisted companies in Hong Kong, the PRC and Taiwan.

The Company has adopted the following investment policies:

- (i) The Company's investments will normally be made in the form of equity or equity-related securities and debt instruments in listed and unlisted companies engaged in different industries including (but not limited to) information technology, telecommunications, manufacturing, pharmaceutical, service, property, infrastructure, life and environmental sectors to maintain a balance in the Company's exposure to different industry sectors in order to minimise the impact on the Company of any downturn in any particular sector;
- (ii) the Company's investments will normally be made in enterprises which are established in their respective fields and in which the Board believes that there are prospectus of earnings growth and/or capital appreciation. In particular, the Company will seek to identify businesses or entities with a potential or record of profit growth, strong management, high levels of technical expertise and research and development capabilities as well as management commitment to the long-term growth of such companies;
- (iii) the Company may invest in companies or other entities which are considered by the Board and/or the Investment Manager as being special or in recovery situations on a case-by-case basis, e.g. companies under restructuring or liquidation, which may have extensive growth in shorter period and provide attractive returns;
- (iv) 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 co-operation between such companies would be of mutual benefit to each other; and
- (v) the Company's investments are intended to be held for medium to long term (i.e. generally more than one year) capital appreciation and there is no present intention to realise any of such investments in any specific period or by any specific date. Nevertheless, the Company will realise investments from time to time where to do so is in the opinion of the Board to be in the best interests of the Company or where the terms on which such realisation can be achieved are in the opinion of the Board to be particularly favourable to the Company.

The Investment Manager shall have discretion over the assets of the Company, including acquisition and disposals of assets provided that the value of each transaction will not exceed 20% of the Net Asset Value (or such other amount as may be determined by the Board from time to time). Approval by the Board is required if the value of a transaction has exceeded such limit.

Investors should note that while it is the intention of the Company to invest its funds in accordance with the investment objectives and policies outlined above as soon as practicable, due to the market and other investment consideration, it may take some time before the funds of the Company are fully invested.

The Company shall engage in transactions in options and futures which are traded on recognised securities or futures exchanges and shall issue or purchase derivative financial products for hedging purpose only.

Before suitable investment projects are identified:

- (i) the Company may seek to protect the capital value of the Company's cash assets by placing the same in bank deposits in Hong Kong in any currency, bonds or treasury securities issued by the government of the United States or the government of Hong Kong, their respective agencies; or securities or other instruments denominated in any currency issued by various governments or international development agencies; and
- (ii) the Company may enter into forward interest rate agreements, interest rate and bond futures contracts and interest rate swaps or purchase or write (sell) put or call options on interest rates and put or call options on futures on interest rates for the purpose of hedging interest rate risks and currency risks only.

The Company's investment objectives and policies above may be altered with Shareholders' approval.

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:

- (i) either itself or through its wholly owned subsidiaries, if any, or in conjunction with any connected person (as defined in the Listing Rules) take legal, or effective, management control of underlying investments and in no event will the Company itself or through its wholly-owned subsidiaries, if any, own or control more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in such company or other entity, except in relation to such wholly-owned subsidiaries of the Company;
- (ii) invest in any company or entity other than wholly-owned subsidiaries of the Company if such investment will result in more than 20% of the Company's Net Asset Value being invested in such company or entity as at the date the investment is made in such company or entity;
- (iii) 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 metals; and
- (iv) invest more than 20% of its assets outside the PRC, Hong Kong and Taiwan.

Pursuant to Rules 21.04 (3)(a) and (b) of the Listing Rules, the Company has to comply with investment restrictions (i) and (ii) above at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules. Such restrictions are contained in the Articles and cannot be changed so long as the Shares remain listed on the Stock Exchange under Chapter 21 of the Listing Rules. Investment restrictions (iii) and (iv) can be changed subject to Shareholders' approval.

BORROWING POWER

Pursuant to the Articles, the Company may exercise its borrowing power to borrow up to an aggregate principal amount representing not more than 50% of the latest available Net Asset Value at the time the borrowing is made. In the event that the borrowing should exceed 50% of the latest available Net Asset Value, the Company must obtain prior approval of the Shareholders at a general meeting. The Company's assets may be charged or mortgaged as security for borrowings. Subject to the provisions of the memorandum of association, the Articles and the investment management agreement entered with the Investment Manager, the Company may from time to time borrow for the purposes of providing liquidity or taking advantage of investment opportunities.

DISTRIBUTION POLICY

Interest income, dividend income and other incomes 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 and/or any possible diminution of investments, and will consider the amount of cash which should be retained by the Company for future investments. It is the Board's intention to distribute any excess balance after such provisions by way of dividend to the extent permitted by law and the Articles. Dividends will be declared and paid only to the extent that they are covered by net income received from underlying investments. Distributions (if any) will be made annually after the annual audited financial statements of the Company are approved by the Shareholders at the annual general meeting but interim distributions may be made from time to time to the Shareholders if it appears to the Board to be justified by the financial position of the Company and permissible by law and the Articles. Distributions by way of cash dividends will be made in Hong Kong dollars.

FOREIGN EXCHANGE POLICY

The Company's investment may be denominated in currencies other than Hong Kong dollars, and there is accordingly an exchange risk. In spite of this, the Board believes that foreign exchange risks are minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions. Therefore, no financial instrument was made to hedge such exposures.

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, as described below. In addition, the Company will pay certain other costs and expenses incurred by the Investment Manager in the proper performance of its duties.

Investment management fees

Pursuant to the agreement entered into between the Investment Manager and the Company dated 6 November 2012, China Everbright Securities (HK) Limited agreed to act as the investment manager for a period of three years. The Company will pay the Investment Manager an annual management fee of HK\$960,000, payable monthly in arrears.

As the management fee to be payable by the Company to the Investment Manager shall not exceed HK\$960,000 per annum, which is less than HK\$10,000,000 and 25% in respect of each of the percentage ratios prescribed under Rule 14.07 of the Listing Rules, the payment of management fees is therefore subject to reporting and announcement requirements but exempt from independent Shareholders' approval requirements pursuant to Rule 14A.76(2)(b) of the Listing Rules.

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

The Directors confirm that none of the Directors, the Investment Manager, any investment adviser or any distribution company, 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 re-allowance of other types on purchases charged to the Company.

INVESTMENT PORTFOLIO

The following are the details of the ten largest investments of the Group as at 30 September 2013 and 31 March 2014, which include all listed investments and all other investments with a value of more than 5% of the Company's gross assets as at the respective dates.

As at 30 September 2013

Name of investee companies	Percentage of effective interest held	Cost	Fair value	Dividend/ Interest received	Dividend cover	Underlying earnings	Net assets attributable to investment
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Double Sky Holding Limited (Note a)	–	80,000	80,048	–	N/A*	N/A*	N/A*
IGO Seating Limited (Note b)	–	50,000	52,818	–	N/A*	N/A*	N/A*
Yuet Join Industrial Limited (Note c)	–	50,000	52,230	–	N/A*	N/A*	N/A*
Plexson Limited (Note d)	15.00%	45,000	44,567	–	–	5,732	44,325
Forest Investment Company Limited (Note e)	29.00%	34,800	37,352	–	–	4,468	42,789
Hidili Industry International Development Limited (Note f)	–	18,720	17,492	14	N/A*	N/A*	N/A*
Winsway Coking Coal Holdings Limited (Note g)	–	8,213	4,817	336	N/A*	N/A*	N/A*
Xinjiang Tianye Water Saving Irrigation System Company Limited (Note h)	0.39%	1,584	1,579	–	N/A*	N/A*	3,542
Longfor Properties Co. Ltd. (Note i)	less than 0.01%	1,401	1,230	25	N/A*	N/A*	817
Guangdong Land Holdings Limited (Note j)	0.2%	1,291	1,218	–	N/A*	N/A*	595

* Since those investments are debt securities, in the opinion of the Directors, no dividend cover, underlying earnings and net assets attributable to those investments is disclosed as such information does not give additional value.

Notes:

- (a) A 5-year convertible bond issued by Double Sky Holdings Limited (“DSHL”), a private company with limited liability principally engaged in food processing and related business in the PRC, was acquired at a face value of HK\$80,000,000 during the year ended 31 March 2012. The Group expects the convertible bond of DSHL will incur a substantial impairment loss for reason of the litigation proceedings as disclosed in the litigation announcement of the Company dated 28 April 2014. During the year ended 31 March 2014, an impairment provision of approximately HK\$55,277,000 and HK\$891,000 was made for the carrying amount of the available-for-sale financial assets and bond interest receivable respectively, and a loss on termination of derivative financial instrument of approximately HK\$18,921,000 incurred for the lapse of the conversion option embedded in the convertible bond.
- (b) A 5-year convertible bond issued by IGO Seating Limited, a private company with limited liability principally engaged in furniture related doings, was acquired at a face value of HK\$50,000,000 during the year ended 31 March 2013, with date of maturity on 2 July 2017.
- (c) A 3-year (extendable for 2 years) convertible bond issued by Yuet Join Industrial Limited, a private company with limited liability principally engaged in the manufacturing of electronic generator and related business, was acquired at a face value of HK\$50,000,000 during the year ended 31 March 2013, with date of maturity on 10 March 2016 (extendable to 10 March 2018) and is guaranteed by the Shareholders of Yuet Join.

- (d) During the year ended 31 March 2013, the Group acquired 15% equity interest in Plexson Limited (“PL”) at a consideration of HK\$45,000,000. PL, a private company with limited liability, is principally engaged in manufacturing and dyeing of fabrics and yarns in the PRC.
- (e) During the year ended 31 March 2013, the Group acquired 29% equity interest in Forest Investment Company Limited (“FICL”) at a consideration of HK\$34,800,000. FICL, a private company with limited liability, is principally engaged in trading and dyeing of fabrics in the PRC.
- (f) During the year ended 31 March 2013, the Group acquired debt securities of Hidili Industry International Development Limited, a PRC-based company listed in Hong Kong (stock code: 1393) engaged in the production of coal and coke and coal-related chemicals in Sichuan province and Guizhou province.
- (g) During the year ended 31 March 2013, the Group acquired debt securities of Winsway Coking Coal Holdings Limited, a company listed on the Stock Exchange in 2010 (stock code: 1733), engaged in the supply and import of coking coal, largely from Mongolia into the PRC.
- (h) Xinjiang Tianye Water Saving Irrigation System Company Limited was listed on the Stock Exchange (stock code: 840). It is engaged in the design, manufacturing and sales of drip films, PVC/PE pipelines and drip assemblies used in agricultural water saving irrigation system, and is also engaged in the provision of installation services of water saving irrigation system for its customers.
- (i) Longfor Properties Co. Ltd. was listed on the Stock Exchange (stock code: 960). The company is engaged in the property development, property investment and property management businesses in China.
- (j) Guangdong Land Holdings Limited was listed on the Stock Exchange (stock code: 124). The company has discontinued its business of production, distribution and sale of beer and is principally engaged in property development and investment.

As at 31 March 2014

Name of investee companies	Percentage of effective interest held	Fair value		Dividend/ Interest received	Dividend cover	Underlying earnings	Net assets attributable to investment
		Cost	Fair value				
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
IGO Seating Limited (Note a)	–	50,000	54,656	–	N/A*	N/A*	N/A*
Yuet Join Industrial Limited (Note b)	–	50,000	51,452	–	N/A*	N/A*	N/A*
Yiu Tec Metal Engineering Limited (Note c)	–	50,000	52,822	–	N/A*	N/A*	N/A*
Plexson Limited (Note d)	15.00%	45,000	39,564	–	–	5,732	44,325
Full Ever Industrial Co., Ltd (Note e)	–	35,000	35,297	–	N/A*	N/A*	N/A*
Forest Investment Company Limited (Note f)	29.00%	34,800	36,300	–	–	4,468	42,789
Hidili Industry International Development Limited (Note g)	–	18,720	14,274	2,174	N/A*	N/A*	N/A*
Hutchison Whampoa Limited (Note h)	less than 0.01%	3,187	3,081	14	3.2	31,112,000	3,351
China Cinda Asset Management Co., Ltd. (Note i)	less than 0.01%	2,215	2,200	–	–	9,000	1,480
Poly Culture Group Corporation Limited (Note j)	0.02%	1,577	1,358	–	–	275,000	472

* Since those investments are debt securities, in the opinion of the Directors, no dividend cover, underlying earnings and net assets attributable to those investments is disclosed as such information does not give additional value.

Notes:

- (a) A 5-year convertible bond issued by IGO Seating Limited, a private company with limited liability principally engaged in furniture related doings, was acquired at a face value of HK\$50,000,000 during the year ended 31 March 2013. The convertible bond carries a fixed, with date of interest rate at 0.8% per annum, paid annually, and its maturity on 2 July 2017.
- (b) A 3-year (extendable for 2 years) convertible bond issued by Yuet Join Industrial Limited, a private company with limited liability principally engaged in the manufacturing of electronic generator and related business, was acquired at a face value of HK\$50,000,000 during the year ended 31 March 2013, with date of maturity on 10 March 2016 (extendable to 10 March 2018).
- (c) A 2-year (extendable for 3 years) convertible bond issued by Yiu Tec Metal Engineering Limited, a private company with limited liability principally engaged in the manufacturing of furniture, was acquired at a face value of HK\$50,000,000 during the year ended 31 March 2014, with date of maturity on 27 February 2016 (extendable to 27 February 2019).
- (d) During the year ended 31 March 2013, the Group acquired 15% equity interest in Plexson Limited (“PL”) at a consideration of HK\$45,000,000. PL, a private company with limited liability, is principally engaged in manufacturing and dyeing of fabrics and yarns in the PRC.
- (e) A 2-year (extendable for 3 years) bond issued by Full Ever Industrial Co., Ltd, a private company with limited liability principally engaged in the manufacturing of string knit working gloves, was acquired at a face value of HK\$35,000,000 during the year ended 31 March 2014, with date of maturity on 8 December 2015 (extendable to 8 December 2018).
- (f) During the year ended 31 March 2013, the Group acquired 29% equity interest in Forest Investment Company Limited (“FICL”) at a consideration of HK\$34,800,000. FICL, a private company with limited liability, is principally engaged in trading and dyeing of fabrics in the PRC.
- (g) During the year ended 31 March 2013, the Group acquired debt securities of Hidili Industry International Development Limited, a PRC-based company listed in Hong Kong (stock code: 1393) engaged in the production of coal and coke and coal-related chemicals in Sichuan province and Guizhou province.
- (h) Hutchison Whampoa Limited (“HWL”) was listed on the Stock Exchange (stock code: 13). It is a multi-national conglomerate giant and the largest conglomerate in HK, with operations spanning 56 countries worldwide. The business portfolio of HWL includes (i) Ports & Related Services; (ii) Telecommunications; (iii) Property & Hotels; (iv) Retail & Manufacturing; and (v) Energy, Infrastructure, Finance & Investments.
- (i) China Cinda Asset Management Co., Ltd. was listed on the Stock Exchange (stock code: 1359). It is engaged in distressed asset management, financial investment and asset management as well as financial services.
- (j) Poly Culture Group Corporation Limited was listed on the Stock Exchange (stock code: 3636). It is principally engaged in art business and auction, performance and theatre management and cinema investment and management.

PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS

As disclosed in the Company’s announcement dated 28 April 2014, on 12 December 2011, World Fame Investment Limited (“World Fame”), a wholly-owned subsidiary of the Company, entered into a subscription agreement (the “Subscription Agreement”, as supplemented by two supplemental agreements dated 8 June 2012 and 27 September 2013 respectively) with Double Sky Holdings Limited (“Double Sky”) and Mr. Ying who is beneficially interested in the entire issued share capital of Double Sky. Pursuant to the Subscription Agreement, World Fame as investor agreed to subscribe for the convertible bond (the “Convertible Bond”) issued by Double Sky in the principal amount of HK\$80,000,000 (the “Principal Amount”), which entitles World Fame to convert the Principal Amount into shares of Double Sky to be issued upon exercise of the conversion rights attached to the Convertible Bond at any time within five years after issue of the Convertible Bond by Double Sky.

During the year ended 31 March 2014, Double Sky failed to pay the interest and breached certain terms of the Subscription Agreement. On 28 April 2014, World Fame decided to take legal actions against Double Sky and other joint debtors named in the Subscription Agreement for, among other things, the default in repayment, World Fame demanded immediate repayment of the total default sum of HK\$80,891,163 plus interest accrued from 31 March 2014 to the date of fully settlement of such amount. The Board considered that the investment cost of HK\$80,000,000 plus accrued interest of HK\$891,163 was unlikely to be recovered and therefore an impairment provision of approximately HK\$55,277,000 and HK\$891,000 was made for the carrying amount of the available-for-sale financial assets and bond interest receivable respectively, and a loss on termination of derivative financial instrument of approximately HK\$18,921,000 incurred for the lapse of the conversion option embedded in the Convertible Bond.

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors (excluding Mr. Zhou Wei-quan whose duties, rights and position have been suspended from 4 June 2014, but including all the independent non-executive 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 (excluding Mr. Zhou Wei-quan whose duties, rights and position have been suspended from 4 June 2014, but including all the independent non-executive 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 as at the Latest Practicable Date and immediately following completion of the Open Offer (assuming no further issue of the Shares from the Latest Practicable Date and up to the completion of the Open Offer) was and will be as follows:

As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
6,000,000,000	Shares of HK\$0.20 each	1,200,000,000.00
<i>Issued and fully paid or credited as fully paid:</i>		<i>HK\$</i>
581,580,000	Shares in issue as at the Latest Practicable Date	116,316,000.00
290,790,000	Offer Shares to be allotted and issued under the Open Offer	58,158,000.00
<u>872,370,000</u>	Shares in issue immediately after completion of the Open Offer	<u>174,474,000.00</u>

All of the Shares and the Offer Shares in issue and to be issued rank and will rank *pari passu* with each other in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Offer 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 has been 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 Offer Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

The Company had no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company and 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 Divisions 7 and 8 of Part XV of the SFO (including interests and 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 were as follows:

Name of Director	Number of Shares		Total	Approximate percentage of shareholding
	Personal interest	Corporate interest		
Liao Jintian (<i>note 1</i>)	–	170,576,000	170,576,000	29.33%
Zhou Weiquan (<i>note 2</i>)	–	170,576,000	170,576,000	29.33%
Zhou Han Jie (<i>note 3</i>)	256,000	170,576,000	170,832,000	29.37%

Notes:

- (1) This represents interests held by Mr. Liao Jintian, a non-executive Director, through Tycor Development Limited ("Tycor"), which holds 170,576,000 Shares of the Company. Mr. Liao Jintian has approximately 11.68% interest in Tycor and is regarded as one of the parties acting in concert with Mr. Zhou Weiquan and Mr. Zhou Han Jie under the Takeovers Code. He is therefore deemed to be interested in 170,576,000 Shares of the Company.
- (2) This represents interests held by Mr. Zhou Weiquan, a non-executive Director, through Tycor, which holds 170,576,000 Shares of the Company. Mr. Zhou Weiquan has approximately 10.15% interest in Tycor and is regarded as one of the parties acting in concert with Mr. Liao Jintian and Mr. Zhou Han Jie under the Takeovers Code. He is therefore deemed to be interested in 170,576,000 Shares of the Company.
- (3) Mr. Zhou Han Jie, a non-executive Director, is holding approximately 11.19% of the shareholding of Tycor Development Limited and is regarded as one of the parties acting in concert with Mr. Liao Jintian and Mr. Zhou Weiquan under the Takeovers Code. Mr. Zhou Han Jie also holds 256,000 Shares, representing approximately 0.04% of the total issued Shares of the Company as at 30 September 2013. Therefore Mr. Zhou Han Jie is deemed to have interests in aggregate of 170,832,000 Shares, representing approximately 29.37% of the total issued Shares of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any beneficial or deemed interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 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) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules.

(b) Interests discloseable under the SFO and substantial shareholder

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

Name	Capacity and nature of interest	Number of Shares held/involved	Approximate percentage of the Company's issued share capital
Emperor Securities Limited (<i>Note 1</i>)	Beneficial owner	290,790,000	50%
Emperor Capital Group Limited (<i>Note 1</i>)	Interest in controlled corporation	290,790,000	50%
Albert Yeung Holdings Limited (<i>Note 1</i>)	Interest in controlled corporation	290,790,000	50%
STC International Limited (<i>Note 1</i>)	Trustee	290,790,000	50%
Dr. Yeung Sau Shing, Albert (<i>Note 1</i>)	Founder of discretionary trust	290,790,000	50%
Ms. Luk Siu Man, Semon (<i>Note 1</i>)	Interest of spouse	290,790,000	50%
Tycor Development Limited (<i>Note 2</i>)	Beneficial owner	170,576,000	29.33%
Wei Zhuo Fu (<i>Note 3</i>)	Beneficial owner	40,928,000	7.04%

Notes:

- Emperor Securities Limited is interested in these Offer Shares by virtue of the Underwriting Agreement. Emperor Securities Limited is an indirect wholly-owned subsidiary of Emperor Capital Group Limited, the shares of which are listed on the Stock Exchange. 67.38% of the shares of Emperor Capital Group Limited are held by Emperor Capital Group Holdings Limited. The entire issued share capital of Emperor Capital Group Holdings Limited is held by Albert Yeung Holdings Limited, which in turn is held by STC International Limited on trust for The Albert Yeung Discretionary Trust (the "AY Trust"). Dr. Yeung Sau Shing, Albert, as founder of the AY Trust, and Ms. Luk Siu Man, Semon, as the spouse of Dr. Yeung Sau Shing, Albert, are deemed to be interested in the 290,790,000 Offer Shares for the purpose of the SFO.
- Tycor is interested in 170,576,000 shares of the Company as at the Latest Practicable Date. Mr. Liao Jintian, Mr. Zhou Weiquan and Mr. Zhou Han Jie beneficially own approximately 11.68%, 10.15% and 11.19% of the shareholdings of Tycor respectively.
- According to the Company's record, Mr. Wei Zhuo Fu, is interested in 40,928,000 shares as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Wei Zhuo Fu has no relationship with any Directors, senior management or other substantial or controlling Shareholders.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, no person (other than the Directors or chief executives of the Company) had interests or short positions in the Shares and/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 was, directly or indirectly, interested in 10% or more of nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company, or any other substantial shareholders whose interests or short positions were recorded in the register required to be kept by the Company under Section 336 of the SFO.

INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or proposed Directors, directly or indirectly, had any interest in any assets which had since 31 March 2013 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors or their respective associates were interested in any business which competes or was likely to compete, whether directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group or associated companies of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

As at the Latest Practicable Date, save as disclosed below, neither the Company nor its subsidiaries, was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group:

- (a) On 31 March 2014, World Fame Investment Limited (“**World Fame**”), a wholly-owned subsidiary of the Company, as the plaintiff filed legal proceedings against Double Sky Holdings Limited, Mr. Ying Xiuxong, 廣東愷撒威登食品科技有限公司 Guangdong Kaisa Weideng Food Technology Company Limited) and 中山市樂邦巧克力食品有限公司 (Zhongshan Shi Lebang Chocolate Products Company Limited) as joint defendants to 佛山市中級人民法院 (Foshan Municipal Intermediate People’s Court) (the “**Court**”) for breach of a convertible bond subscription agreement dated 12 December 2011 (as supplemented by supplemental agreements dated 8 June 2012 and 27 September 2013 respectively). World

Fame demanded immediate repayment of the total default sum of HK\$80,891,163 plus interest accrued from 31 March 2014 to the date of fully settlement of such amount. On 28 April 2014, upon application of World Fame, the Court took relevant preservation measures to seal up available/known assets of the joint defendants;

- (b) On 6 June 2014, the Company received a High Court action issued on 5 June 2014 wherein Mr. Zhou Weiquan, a non-executive Directors (duties, rights and position suspended from 4 June 2014) claims against the Company and other Directors for inspection of documents and for obtaining copies of those documents from the Company;
- (c) On 16 June 2014, the Company received a letter with a sealed copy of an originating summons (the “**Originating Summons**”) issued on 12 June 2014 by Mr. Wei Zhuofu (the “**Applicant**”) in the Court of First Instance of the High Court of Hong Kong against (i) the Company as 1st defendant; and (ii) six Directors, namely, Mr. Chan Cheong Yee, Mr. Liao Jintian, Mr. Zhou Han Jie, Mr. Ha Tak-Kong, Mr. Leung Kwong Kin and Mr. Tsang Hin Man Terence as 2nd to 7th defendants, seeking a permanent injunction restraining the Company from proceeding with the Open Offer to existing Qualifying Shareholders of the Company. The Applicant alleged in the Originating Summons that (i) the Open Offer constitutes a breach of directors’ fiduciary duty and duty of care and skill to the Company; and (ii) the Open Offer is made for improper purposes including the dilution of the Applicant’s shareholding in the Company. Hearing for the injunction application is scheduled on 11 July 2014.

On 17 June 2014, the Company received a letter with a copy of an interlocutory injunction (the “**Interlocutory Application**”) issued on 17 June 2014 by the Applicant in the Court against (i) the Company as 1st defendant; and (ii) six Directors, namely, Mr. Chan Cheong Yee, Mr. Liao Jintian, Mr. Zhou Han Jie, Mr. Ha Tak-Kong, Mr. Leung Kwong Kin and Mr. Tsang Hin Man Terence as 2nd to 7th defendants, seeking an interlocutory injunction restraining the Company from proceeding with the Open Offer to existing Qualifying Shareholders of the Company. The Applicant alleged in the Interlocutory Application that the Open Offer is made for improper purposes including the dilution of the Applicant’s shareholding in the Company. The legal counsels of the Company attended the hearing for the Interlocutory Application on 19 June 2014. The Applicant’s case was dismissed by the High Court of Hong Kong and costs of the proceedings were awarded to all defendants.

- (d) On 25 June 2014, the Company received a letter with a sealed copy of an originating summons issued on 25 June 2014 by Mr. Zhou Weiquan (the “**Plaintiff**”) in the Court of First Instance of the High Court of Hong Kong against (i) the Company as 1st defendant; and (ii) six Directors, namely, Mr. Chan Cheong Yee, Mr. Liao Jintian, Mr. Zhou Han Jie, Mr. Ha Tak-Kong, Mr. Leung Kwong Kin and Mr. Tsang Hin Man Terence as 2nd to 7th defendants, seeking the declaration of the suspension and/or removal of the Plaintiff as a director of Company is invalid, and the hearing is scheduled on 16 October 2014.

For further details of the above litigation proceedings, please refer to the Company’s announcements dated 28 April 2014, 6 June 2014, 16 June 2014, 17 June 2014, 19 June 2014 and 25 June 2014 respectively.

6. MATERIAL CONTRACTS

Save as the Underwriting Agreement, no contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Group within two years immediately preceding the date of this prospectus which are or may be material.

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this prospectus:

Name	Qualification
Elite Partners CPA Limited (“Elite”)	Certified Public Accountants, Hong Kong

Elite has given, and has not withdrawn, its written consent to the issue of this prospectus with the inclusion of its letter and report and reference to its names, as the case may be, in the form and context in which it appears.

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

As at the Latest Practicable Date, Elite did not have any direct or indirect interest in any assets which have been, since 31 March 2014 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Particulars of the Directors

Name	Address
<i>Executive Director</i>	
Mr. CHAN Cheong Yee	Flat F, 29th Floor, Tower 10, South Horizons Ap Lei Chau Hong Kong
<i>Non-executive Directors</i>	
Mr. LIAO Jintian	No. 5, Shiqu Li, Shizi Street Dongyong, Longjiang Town Shunde District, Foshan City Guangdong Province PRC

Mr. ZHOU Weiquan
*(duties, rights and position suspended
from 4 June 2014)*

No. 9, Er Xiang, Dongle Garden
Litian Road, Daliang Street
Shunde District, Foshan City
Guangdong Province
PRC

Mr. ZHOU Han Jie

No. 10, Su Xi Kai Ji Fang Street
Long Jiang Town
Shun De District
Foshan City
Guangdong Province
PRC

Independent non-executive Directors

Mr. HA Tak-kong

Flat D, 14th Floor
105 Broadway
Mei Foo Sun Chuen
Lai Chi Kok, Kowloon
Hong Kong

Mr. LEUNG Kwong Kin

Flat A, 17th Floor
Tower 3, Central Park
18 Hoi Ting Road
Tai Kok Tsui
Kowloon
Hong Kong

Mr. TSANG Hin Man Terence

Room B, 7/F
Wisteria Mansion
Taikoo Shing 4 Taikoo Shing Wan Road
Hong Kong

Biographies of the Directors

Executive Director

Mr. Chan Cheong Yee (“Mr. CY Chan”), aged 50, was appointed as an executive Director on 8 March 2011. He is one of the responsible officers of China Everbright Securities (HK) Limited. Mr. CY Chan is currently a licensed person to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading) and type 9 (asset management) regulated activities under the SFO. Mr. CY Chan obtained a Bachelor of Science degree from the College of Business Administration of the University of South Florida in the United States of America. Mr. CY Chan is experienced in dealing in securities, fund management, corporate management, corporate finance and managing listed investment companies under Chapter 21 of the Listing Rules.

Since June 2003, Mr. CY Chan joined China Innovation Investment Limited (stock code: 1217), an investment company listed on the Stock Exchange, as executive director. Mr. CY Chan was appointed as an independent non-executive director of Bingo Group Holdings Limited (stock code: 8220), a company listed on the Growth Enterprise Market of the Stock Exchange, in August 2007, and was re-designated as an executive director of Bingo Group Holdings Limited in April 2009. Mr. CY Chan was appointed as an independent non-executive director of Agritrade Resources Limited (stock code: 1131), a company listed on the Stock Exchange, in June 2010. Mr. CY Chan was appointed as an executive director of China Investment Development Limited (stock code: 204), an investment company listed on the Stock Exchange, in May 2012. Mr. CY Chan was appointed as an executive director of Capital VC Limited (stock code: 2324), an investment company listed on the Stock Exchange, in November 2012. Mr. CY Chan was appointed as an executive director of Alpha Returns Group PLC, an investment company listed on AIM of London Stock Exchange, in May 2013. Mr. CY Chan was also appointed as an executive director of China New Economy Fund Limited (“CNEF” and stock code: 80), an investment company listed on the Stock Exchange, in June 2013.

Non-executive Directors

Mr. Liao Jin Tian (“Mr. Liao”), aged 45, has been a non-executive Director since 23 March 2012. Mr. Liao is a council member of the China National Furniture Association (中國家具協會), an executive committee member of Shunde Gong Shang Lian (順德工商聯(總商會)), a vice president of Shunde Furniture Association (順德家具協會), vice-president of Shunde Longjiang Chamber (順德龍江商會) and a director of Longjiang Charity Association. Mr. Liao is also the executive director and legal representative of Guangdong Xie Feng Financial Guarantee Co., Ltd. (廣東協豐融資擔保有限公司), the chairman and legal representative of Guangdong Jingongzi Trading and Economic Development Co., Ltd. (廣東金公子經貿發展有限公司) as well as the chairman of Shunde Furniture International Procurement Centre (順德家具國際採購中心). He has over 10 years of experience in a wide scope of businesses including trading, finance, property development and project investment.

Mr. Zhou Weiquan, aged 50, was appointed as a non-executive Director on 29 March 2012. He is an executive director of China Packaging Federation (中國包裝聯合會); an executive director of the Commission of China Metal Container (中國金屬容器委員會); a member of the Standing Committee of Foshan City Industrial and Commercial Federation (佛山市工商聯合會); a vice-president of Foshan City Enterprises Federation (佛山市企業聯合會); a vice-president of Foshan City Entrepreneurs Federation (佛山市企業家協會); and the chairman of Dadi Weiye Group of Companies (大地偉業企業集團) and Dadi Weiye Group of Companies (大地偉業集團). Mr. Zhou is also awarded for his contractual spirit and credibility by the Guangdong Province Administration for Industry and Commerce Bureau with an “Guangdong Province Zhong He Tong Shou Xin Yong Award”; awarded with Shunde Lunjiao Road’s “The 2011 Best Ten Enterprises for Migrant Workers”.

Mr. Zhou Han Jie (“Mr. Zhou”), aged 41, has been a non-executive Director since 8 July 2013. Mr. Zhou is the chairman of Guangdong Zhongtai Furniture Industries Limited (廣東中泰家具實業有限公司) and the vice president of Shunde Furniture Association (順德家具協會) since 2004. Mr. Zhou is also the director of Guangdong Mingde Financial Guarantee Company Limited (廣東明德融資擔保有限公司) and Fushan Zhengde Investment Limited (佛山正德投資有限公司). Mr. Zhou has over three years of financial experience, specializing in corporate finance and investment. Mr. Zhou also holds an EMBA degree from Zhongshan University.

Independent non-executive Directors

Mr. HA Tak-kong, aged 46, was appointed as an independent non-executive Director on 3 June 2004. Mr. Ha received a bachelor degree in accounting from the University of Hong Kong and is working as an accounting manager in an import and export trading firm. Mr. Ha is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Leung Kwong Kin (“Mr. Leung”), aged 45, has been an independent non-executive Director since 1 December 2010. Mr. Leung is a fellow member of The Association of Chartered Certified Accountants (“ACCA”) and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants (“HKICPA”). He holds (i) a bachelor degree in Commerce Accounting from Curtin University of Technology, Australia; (ii) a bachelor degree in law from Peking University; and (iii) a bachelor degree in English law from Manchester Metropolitan University. Mr. Leung has accumulated over 20 years of experience in auditing and taxation through his previous employments in various international accounting firms. Mr. Leung is now a partner of Fan, Chan & Co., a Certified Public Accountants firm in Hong Kong.

Mr. Tsang Hin Man Terence (“Mr. Tsang”), aged 51, has been an independent non-executive Director since 1 April 2014. He was admitted as a solicitor in Hong Kong in 1993 and he is currently the sole proprietor of H. M. Tsang & Co. Mr. Tsang obtained a bachelor’s degree in science (BSc.) from the University College London, the University of London. He also holds a bachelor’s degree in law (LLB.) from the University of Westminster, United Kingdom. Mr. Tsang serves as an independent non-executive director in Lee & Man Handbags Holding Limited (Stock Code: 1488) and Differ Group Holding Company Limited (Stock Code: 8056).

9. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE OPEN OFFER

Registered office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong	Unit 03 & 05, 32/F Sino Plaza 255-257 Gloucester Road Causeway Bay Hong Kong
Principal bankers	Bank of China (Hong Kong) Limited 1 Garden Road Central Hong Kong Industrial and Commercial Bank of China (Asia) Limited 33/F., ICBC Tower 3 Garden Road Central Hong Kong
Auditors and reporting accountants	Elite Partners CPA Limited Suites 2B-4A, 20th Floor, Tower 5 China Hong Kong City 33 Canton Road, Tsim Sha Tsui Kowloon, Hong Kong
Hong Kong branch share registrar and transfer office	Tricor Standard Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives	Mr. Chan Cheong Yee Mr. Liao Jintian
Company secretary	Mr. Li Chi Fai Flat 20D, Heng Tien Mansion 2 Tai Fung Avenue, Taikoo Shing Hong Kong
Underwriter	Emperor Securities Limited 23-24/F, Emperor Group Centre 288 Hennessy Road Wanchai Hong Kong
Legal adviser to the Company in relation to the Open Offer	<i>As to Hong Kong law</i> Fairbairn Catley Low & Kong 23/F, Shui On Centre 6-8 Harbour Road Hong Kong

10. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Li Chi Fai. He is a member of the Hong Kong Institute of Certified Public Accountants and Australian Society of Certified Practising Accountants.
- (b) This prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

11. EXPENSES

The expenses in connection with the Open Offer, including the underwriting commission and professional fees payable to lawyers and the financial printer, are estimated to be approximately HK\$1.5 million and will be payable by the Company.

12. BINDING EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up) Ordinance so far as applicable.

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

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed "Expert and consent" in this Appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up) Ordinance.

14. 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 at Unit 03 & 05, 32/F Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong during normal business hours on any Business Day from the date of this prospectus up to the Latest Time for Acceptance on 16 July 2014:

- (a) the memorandum and Articles of the Company;
- (b) the annual reports of the Company for the years ended 31 March 2011, 31 March 2012 and 31 March 2013;
- (c) the interim report of the Company for the six months ended 30 September 2013;
- (d) the report on the unaudited pro forma financial information on the Group as set out in Appendix II of this prospectus;

- (e) the materials contracts referred to in the paragraph headed “Material contracts” of this Appendix IV;
- (f) the written consent from Elite Partners CPA Limited referred to in the section headed “Expert and consent” of this Appendix IV; and
- (g) the Prospectus Documents.