

---

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

---

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

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

**If you have sold or transferred** all your shares in Prosperity Investment Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

---

**PROSPERITY INVESTMENT HOLDINGS LIMITED****嘉進投資國際有限公司\****(Incorporated in Bermuda with limited liability)***(Stock Code: 310)****MAJOR TRANSACTION  
IN RELATION TO DISPOSAL OF 70% INTEREST IN  
GLORIOUS BRIGHT LIMITED**

---

A notice convening the SGM of the Company to be held at Suite 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on Friday, 16 December 2011 at 11:00 a.m. is set out on pages 28 to 29 of this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch registrar in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you wish.

\* *For identification purpose only*

---

## CONTENTS

---

|   | <i>Page</i> |
|---|-------------|
| <b>Definitions</b> .....                                    | 1           |
| <b>Letter from the Board</b> .....                          | 4           |
| <b>Appendix I: Financial Information of the Group</b> ..... | 14          |
| <b>Appendix II: General Information</b> .....               | 23          |
| <b>Notice of SGM</b> .....                                  | 28          |

---

## DEFINITIONS

---

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

|                        |  |
|------------------------|--|
| “associates”           | has the meaning ascribed to it under the Listing Rules   |
| “Business Day”         | a day (other than Saturday, Sunday, any public holidays of Hong Kong or PRC and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 pm or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 5:00 pm) on which the banks in Hong Kong and PRC are generally open for business |
| “Board”                | the board of Directors   |
| “BVI”                  | the British Virgin Islands   |
| “Company”              | Prosperity Investment Holdings Limited, a company incorporated in Bermuda with limited liability, with its issued Shares listed on the Stock Exchange  |
| “Completion”           | completion of the Disposal Agreement   |
| “Conditions Precedent” | the conditions precedent to the Disposal, details of which are set out in the paragraph headed “Conditions Precedent”  |
| “Consideration”        | the consideration for the Sale Shares and the Sale Loan pursuant to the terms of the Disposal Agreement  |
| “Director(s)”          | the director(s) of the Company   |
| “Disposal”             | the disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Disposal Agreement  |
| “Disposal Agreement”   | the agreement dated 27 October 2011 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan  |

---

## DEFINITIONS

---

|                           |   |
|---------------------------|---|
| “Glorious Bright”         | Glorious Bright Limited, a company incorporated in Hong Kong which hold a Money Lenders Licence issued under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and a wholly-owned subsidiary of the Vendor |
| “Glorious Bright Group”   | Glorious Bright and the Subsidiary  |
| “Group”                   | the Company and its subsidiaries from time to time  |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the PRC  |
| “HK\$”                    | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Latest Practicable Date” | 25 November 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “PRC”                     | People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan   |
| “Purchaser”               | Sino Tycoon Investments Limited, a company incorporated in the BVI with limited liability   |
| “Remaining Group”         | the Group as excluding Glorious Bright Group upon Completion  |
| “Sale Loan”               | HK\$9,800,000, being part of the shareholder’s loans due by Glorious Bright to the Vendor as at Completion  |
| “Sale Shares”             | 70% of the issued share capital of Glorious Bright as at Completion   |
| “SFO”                     | The Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)  |

---

## DEFINITIONS

---

|                              |  |
|------------------------------|--|
| “SGM”                        | the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Agreement, the Shareholders’ Agreement and the transactions contemplated thereunder  |
| “Shareholders”               | holder(s) of Shares  |
| “Shareholders’ Agreement”    | the shareholders’ agreement to be entered into among the Purchaser, the Vendor and Glorious Bright on Completion for the purpose of regulating their relationship among themselves in respect of the affairs of, and their dealings with Glorious Bright Group after Completion (including, without limitation, its operations, management and business) |
| “Share Capital Increase”     | the injection of HK\$10,000,000 by the Vendor to Glorious Bright for subscription of new shares of Glorious Bright in order to fulfill the condition under paragraph (iv) of the section headed “Conditions Precedent” in this circular  |
| “Shares”                     | share(s) of the Company  |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited  |
| “Subsidiary”                 | Ever Legend Enterprises Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Glorious Bright   |
| “Substantial Shareholder(s)” | The substantial shareholder(s), as defined under the Listing Rules, of the Company   |
| “Vendor”                     | Genius Choice Investments Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company   |
| “Vendor’s Loan”              | all amounts which may be owing by Glorious Bright to the Vendor immediately after Completion, which based on the unaudited management accounts of Glorious Bright Group as at 30 September 2011 shall be approximately HK\$53,882,311  |
| “%”                          | per cent.  |

---

## LETTER FROM THE BOARD

---



**PROSPERITY INVESTMENT HOLDINGS LIMITED**  
**嘉進投資國際有限公司\***  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 310)**

*Executive Director:*  
Cheng Hairong (*Chairman*)

*Non-executive Director:*  
Lau Tom Ko Yuen (*Deputy Chairman*)

*Independent non-executive Directors:*  
Feng Nien Shu  
Lui Siu Tsuen, Richard  
Wong Lai Kin, Elsa

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business:*  
Suite 2701, Shui On Centre,  
6-8 Harbour Road,  
Wanchai,  
Hong Kong

30 November 2011

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
IN RELATION TO DISPOSAL OF 70% INTEREST IN  
GLORIOUS BRIGHT LIMITED**

**I. INTRODUCTION**

On 27 October 2011, the Board announced that on 27 October 2011 the Vendor entered into the Disposal Agreement with the Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Sale Loan for an aggregate consideration of HK\$10,000,000. The Sale Shares shall represent 70% of the issued share capital of Glorious Bright on Completion. It is one of the conditions precedent to Completion that the Vendor shall inject HK\$10,000,000 into Glorious Bright as share capital by way of subscription of new shares of Glorious Bright (i.e. the Share Capital Increase).

The purpose of this circular is to provide you with, among other things, details of the Disposal Agreement and the Shareholders' Agreement and notice of the SGM.

\* For identification purpose only

---

## LETTER FROM THE BOARD

---

### II. DISPOSAL AGREEMENT

#### Date

27 October 2011

#### Parties

- (i) Genius Choice Investments Limited, as vendor; and
- (ii) Sino Tycoon Investments Limited, as purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons and are not connected persons of the Company. The principal activity of the Purchaser is investment holding.

#### Assets to be disposed of

The assets to be disposed of comprise (i) the Sale Shares, being 70% of the issued share capital of Glorious Bright as at Completion; and (ii) the Sale Loan. The Sale Loan of HK\$9,800,000 represents approximately 15% of all outstanding shareholder's loans due by Glorious Bright to the Vendor as at the date of the Disposal Agreement. The remaining 85% outstanding shareholder's loans, being the Vendor's Loan, shall be repaid to the Vendor as described in the paragraph headed "Funding" under section III (Shareholders' Agreement).

#### Consideration

The consideration for the Sale Shares and the Sale Loan is HK\$10,000,000 in aggregate and is payable by the Purchaser in cash in the following manner:

- (i) a deposit of HK\$500,000 (the "Deposit") is payable within 3 days after signing of the Disposal Agreement;
- (ii) the balance is payable upon Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser and with reference to the face value of the Sale Loan, the net liability of Glorious Bright Group as at 30 September 2011 and after the Share Capital Increase, the loss-making position of Glorious Bright, the Vendor's Loan and the 30% interest of Glorious Bright retained by the Group after Completion. The Directors consider that the Consideration is fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### Share Capital Increase

As at the date of the Disposal Agreement, the issued share capital of Glorious Bright was HK\$2, Glorious Bright had no share premium and has net liabilities of approximately HK\$13,898,000. The Purchaser, during the negotiation of the Disposal Agreement, requested the Vendor to reduce such net liabilities. After arm's length negotiations, as set out in the section headed "Conditions Precedent" below, it becomes one of the conditions precedent to Completion that the Vendor injects into Glorious Bright HK\$10,000,000 as share capital, i.e. the Share Capital Increase.

### Conditions Precedent

Completion of the Disposal Agreement is conditional upon fulfillment or waiver (as the case may be) of the following conditions:

- (i) the warranties given by the Vendor remaining true and accurate in all material respects and not misleading in any material respect;
- (ii) approval by the Shareholders (other than those who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations, if required) of the Disposal Agreement including the disposal of the Sale Shares and the Sale Loan by the Vendor, the entering into of the Shareholders' Agreement and all other transactions contemplated under the Disposal Agreement at the SGM;
- (iii) the compliance by the Vendor and/or the Company of any relevant requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities which require compliance at any time prior to Completion in relation to the transactions contemplated under the Disposal Agreement; and the
- (iv) aggregate of issued share capital and share premium of Glorious Bright being not less than HK\$10,000,000.

The Purchaser may waive any or all of the conditions (other than those set out in (ii) and (iii) above). None of the conditions can be waived by the Vendor. If the conditions are not fulfilled or waived (as the case may be) within 120 days from the date of the Disposal Agreement (or any other date as the parties to the Disposal Agreement may agree in writing), the rights and obligations of the parties under the Disposal Agreement shall lapse and be of no further effect except for antecedent breach. In such event, the Vendor shall refund to the Purchaser the Deposit without interest within 3 days.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

### Completion

Completion shall take place on the seventh (7th) Business Days after all the conditions precedent have been fulfilled or, as the case may be, being waived, or such other date as the Vendor and the Purchaser may mutually agree in writing.





---

## LETTER FROM THE BOARD

---

The Company is not required to provide any additional funding to Glorious Bright and it currently has no intention to provide any additional loan to the Glorious Bright Group whether after the Disposal or after full repayment of the Vendor's Loan.

Right of first refusal:

Each shareholder is entitled to a right of first refusal upon receipt of a transfer notice from another shareholder of its intention to dispose of its shares in Glorious Bright whereby it may elect to purchase (all or part only) the shares in and loans to Glorious Bright from the transferring shareholder at the price and subject to the same material terms as described in the transfer notice.

Tag-along right:

Any shareholders, who has not exercised its right of first refusal as referred to in the paragraph above, is entitled to a tag-along right whereby it may join the transferring shareholder to dispose its shares in and loans to Glorious Bright on the same terms as the transferring shareholder.

Termination:

The Shareholders' Agreement shall continue in full force and effect until Glorious Bright shall be wound up or otherwise cease to exist as a separate corporate entity, or until the entire issued share capital of Glorious Bright shall be owned by one shareholder of Glorious Bright.

#### IV. REASONS FOR THE DISPOSAL

The investment objective of the Group is to achieve long-term capital appreciation of its assets primarily through equity and equity-related investments but without participating in the management of the investees. Glorious Bright was set up by the Company in May 2000 to engage in money lending business. As it is wholly owned by the Company, it is also managed by the Company. In order to achieve the above investment objective, the Group may either cease the business of Glorious Bright or dispose of the controlling interest therein. The Board, after taking into account various factors as mentioned under the section headed "Consideration" above, was of the view that the Disposal will enable the Group to meet the said investment objective whilst the retention of 30% interest in Glorious Bright will enable the Group to capture any future growth of Glorious Bright Group.

---

## LETTER FROM THE BOARD

---

Taking into account the above reasons, the Board considers that the entering into of the Disposal Agreement and the Shareholders' Agreement is in the interests of the Company and the Shareholders as a whole and the terms of the Disposal Agreement and the Shareholders' Agreement are fair and reasonable.

### **V. USE OF PROCEEDS**

The Consideration receivable by the Vendor is HK\$10 million. However, given that the Vendor will have injected HK\$10 million into Glorious Bright under the Conditions Precedent, the net effect is that there will not be any proceeds from the Disposal after deducting the share capital injected by the Vendor under the Share Capital Increase and related expenses. The proceeds from any repayment of the Vendor's Loans is intended to be used as working capital of the Group.

### **VI. FINANCIAL EFFECTS OF THE DISPOSAL**

#### **Earnings**

Based on the unaudited consolidated accounts of the Glorious Bright Group as at 30 September 2011 and assuming completion of the Disposal Agreement, a gain of approximately HK\$4,000,000 is expected to arise from the Disposal, which is calculated with reference to the Consideration less the carrying value attributable to the Sale Shares and the Sale Loan as at 30 September 2011, after accounting for the transaction costs associated with the implementation of the Disposal. Shareholders and investors should note that the exact amount of financial effect of the Disposal is subject to audit and is yet to be determined with reference to the fair value attributable to the Sale Shares and the Sale Loan as at the Completion Date.

In view of the loss-making position of the Glorious Bright Group, the Disposal could reduce the loss of the Group.

#### **Assets and liabilities**

Upon Completion, Glorious Bright will cease to be subsidiary of the Company and its assets and liabilities, including the loan receivables from third parties, will be deconsolidated from the Group's financial statements. As the Group will retain the Vendor's Loan, the assets and liabilities of the Group should not be significantly affected immediately after the Completion. As mentioned above, the Disposal would reduce loss of the Group and there is an expected gain on Disposal. Therefore, the financial position of the Group is expected to improve upon completion of the Disposal.

#### **Interest in associated company**

After Completion, Glorious Bright will become an associated company of the Company and will be equity accounted for in the financial statements of the Company. The investment cost in and amount due from Glorious Bright will be stated in the financial statements of the Company after Completion.

---

## LETTER FROM THE BOARD

---

### VII. INFORMATION ON GLORIOUS BRIGHT, THE SUBSIDIARY AND THE GROUP

Each of Glorious Bright and the Subsidiary is a company incorporated in Hong Kong with limited liabilities. Glorious Bright was incorporated on 17 May 2000 and the Subsidiary was incorporated on 28 July 2011. As mentioned in the section headed “Shareholders’ Agreement” above, the Vendor is entitled to nominate two non-executive directors to the board of Glorious Bright which shall consist of a maximum seven directors.

The principal activity of Glorious Bright is money lending. The Subsidiary has not commenced business as it was only recently incorporated.

The Group is principally engaged in investment in both listed and unlisted securities and other related financial assets.

After the Disposal, the principal business activities of the Remaining Group will remain unchanged and Remaining Group will still principally engage in the investment in both listed and unlisted securities and other related financial assets. In view of these substantial interests still held by the Remaining Group after the Disposal, together with the other listed and unlisted investments held by the Remaining Group, the Board considers that the Remaining Group would still have sufficient level of operation to warrant its continued listing of its securities as required under Rule 13.24 of the Listing Rules.

Set out below is the unaudited consolidated financial information of the Glorious Bright Group for the two years ended 31 December 2009 and 31 December 2010 respectively, prepared in accordance with the Hong Kong Financial Reporting Standards:

|                               | <b>For the year ended</b> |                 |
|-------------------------------|---------------------------|-----------------|
|                               | <b>31 December</b>        |                 |
|                               | <b>2010</b>               | <b>2009</b>     |
|                               | <i>HK\$'000</i>           | <i>HK\$'000</i> |
| Turnover                      | 4,934                     | 203             |
| (Loss) profit before taxation | (943)                     | 569             |
| (Loss) profit after taxation  | (860)                     | 475             |

The unaudited net liabilities of the Glorious Bright Group as at 31 December 2010 and 30 September 2011 amounted to approximately HK\$13,893,000 and HK\$13,898,000 respectively.

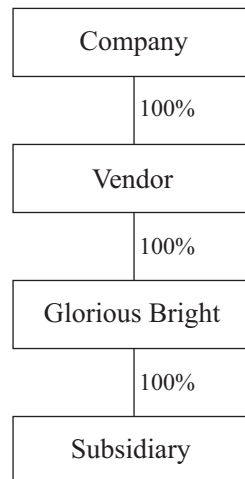
---

## LETTER FROM THE BOARD

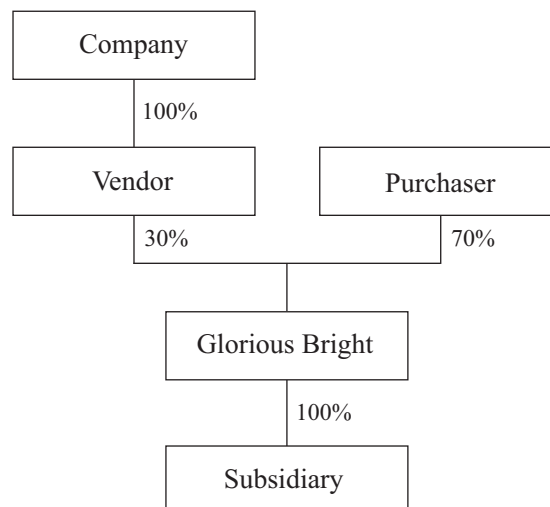
---

### VIII. SHAREHOLDING IN GLORIOUS BRIGHT

Set out below is the ownership structure of Glorious Bright as at the Latest Practicable Date and immediately before Completion:



Set out below is the ownership structure of Glorious Bright immediately after Completion:



### IX. LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules exceed 25% but less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and hence is subject to notification, publication and shareholders' approval requirements under the Listing Rules.

---

## LETTER FROM THE BOARD

---

The table below sets out the calculation of the 20% net assets test in accordance with Rule 21.04(3)(b) of the Listing Rules:

|                                   |            | <b>Reference<br/>date<br/>30/6/2011<br/>(HK\$'000)</b> | <b>Reference<br/>date<br/>30/9/2011<br/>(HK\$'000)</b> |
|-----------------------------------|------------|--|--|
| Cost of investment                | <i>1</i>   | 3,000  | 3,000  |
| Amount due from associate         | <i>2</i>   | <u>53,882</u>  | <u>53,882</u>  |
| Total investment in associate     |            | <u><u>56,882</u></u>                                   | <u><u>56,882</u></u>                                   |
| Net asset value of the Group      | <i>3,4</i> | 369,322  | 297,822  |
| % to net asset value of the Group |            | 15.4%  | 19.0%  |

*Notes:*

1. The cost of investment of Vendor after the Share Capital Increase but before Completion is approximately HK\$10 million. The Vendor will retain a 30% interest in Glorious Bright and hence the cost of investment of the Vendor after Completion is approximately HK\$3 million.
2. This represents the Vendor's Loan.
3. Net asset value of the Group as at 30 June 2011 is extracted from the interim report of the Company for the six months ended 30 June 2011.
4. Net asset value of the Group as at 30 September 2011 is based on the unaudited net asset value per share of HK\$0.42 announced on 14 October 2011 and the issued Shares of the Company of 712,546,800 Shares as at the Latest Practicable Date.

Based on the above, the Company's investment in Glorious Bright after the Share Capital Increase and Disposal will comply with Rule 21.04(3)(b).

### **X. SGM**

The notice convening the SGM to be held at Suite 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Friday, 16 December 2011 at 11:00 a.m, at which ordinary resolution will be proposed to approve the Disposal Agreement, the Shareholders' Agreement and the transactions contemplated thereunder is set out on pages 28 to 29 of this circular.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the Latest Practical Date, no Shareholder has a material interest in the Disposal Agreement, the Shareholders' Agreement and the transactions contemplated thereunder which is different from that of the other Shareholders and thus no Shareholder is required to abstain from voting on the relevant resolution to approve the Disposal Agreement, the Shareholders' Agreement and the transactions contemplated thereunder at the SGM.

---

## LETTER FROM THE BOARD

---

A form of proxy for use at the SGM is enclosed herewith. Whether or not you propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, voting on the resolution at the SGM will be taken by poll.

### **XI. RECOMMENDATION**

The Directors consider that the terms of the Disposal Agreement and the Shareholders' Agreement are fair and reasonable and in the interests of the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution at the SGM to approve the Disposal Agreement, the Shareholders' Agreement and the transactions contemplated thereunder.

### **XII. ADDITIONAL INFORMATION**

Your attention is also drawn to the additional information set out in the appendices of this circular and the notice of the SGM.

Yours faithfully,  
For and on behalf of  
**Prosperity Investment Holdings Limited**  
**Cheng Hairong**  
*Chairman*

**FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is currently engaged in investment in both listed and unlisted securities and other related financial assets.

The management of the Company is considering to streamline the principal activities of the Group by reducing the effort on the money lending business. The Disposal could spare the time and effort of the management of the Company in other investments which may bring higher net worth to the Group. On the other hand, the retention of 30% interest in Glorious Bright will enable the Group to capture any future growth of Glorious Bright Group.

After the Disposal, the principal activities of the Group will be the investment in both listed and unlisted securities and other related financial assets but without participating in the management, either directly or indirectly, of the investees. The Group has no intention to dispose of the remaining shareholding in Glorious Bright currently. However, the Directors will continuously review the situation and shareholding in Glorious Bright from time to time.

**WORKING CAPITAL**

As at the Latest Practicable Date, the Directors are of the opinion that, in the absence of unforeseen circumstances and based on the present internal resources of the Remaining Group, after taking into account the Share Capital Increase and the Consideration, the working capital available to the Remaining Group is sufficient for the requirements of the Remaining Group for at least 12 months from the date of this circular.

**INDEBTEDNESS**

As at the close of business on 31 October 2011, being the latest practicable date for the purpose of this statement of indebtedness, the Group did not have any outstanding borrowings or any material contingent liabilities or guarantees.

Apart from intra-Group liabilities and normal trade payables in the ordinary course of business, the Group did not have outstanding as at the close of business on 31 October 2011 any loans capital issued and outstanding or agreed to be issued, bank overdrafts or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, finance lease or hire purchases commitments, guarantees or other material contingent liabilities.



**CROSS SHAREHOLDINGS AND COMMON DIRECTORSHIP****Substantial Shareholders**

According to the best knowledge of the Directors, the following sets out the cross shareholdings and common directorship between (i) the Company and its Substantial Shareholders; (ii) the Company and its directors and (iii) the Company and its top ten investments for the three years ended 31 December 2010 and as at the Latest Practicable Date.

**For the year ended 31 December 2008**

As at 31 December 2008, China Investment Fund Company Limited (“**CIF**”) held 11,196,000 Shares or 8.98% of the then issued share capital of the Company, while the Company held 80,000,000 shares, representing 7.44% of the then issued share capital of, CIF. In 2008, Mr. Yan Mou Keung, Ronald was the independent non-executive director of both the Company and CIF.

As at 31 December 2008, Cosmopolitan International Holdings Limited (“**COSMO**”) held 12,000,000 Shares or 9.62% of the then issued share capital of the Company, while the Company held 159,031,078 shares, representing 8.39% of the then issued share capital of, COSMO.

According to the best knowledge of the Directors, save and except as disclosed above, there were no cross shareholdings and common directorship between (i) the Company and any Substantial Shareholder; (ii) the Company and its directors and (iii) the Company and its top ten investments for the year ended 31 December 2008.

**For the two years ended 31 December 2009 and 2010 and as at Latest Practicable Date**

For the two years ended 31 December 2009 and 2010 and as at the Latest Practicable Date, there was no cross shareholding between the Company and any Substantial Shareholder.

As at 31 December 2009 and 2010, Mr. Lau Tom Ko Yuen (“**Mr. Lau**”), the executive Director from December 2009 to August 2010 and a non-executive Director from August 2010 onwards, was an executive director of Sun Matrix Limited (“**Sun Matrix**”) and Favor Hero Investments Limited (“**Favor Hero**”), the Substantial Shareholders of the Company.

As at the Latest Practicable Date, Mr. Cheng Hairong, an executive director of the Company, and Mr. Lau, a non-executive director of the Company were both the directors of Sun Matrix and Favor Hero.

Mr. Lau, the executive Director from December 2009 to August 2011 and a non-executive Director from August 2010 onwards, was the deputy chairman and managing director of PYI Corporation Limited which was also one of the top ten investments of the Company for the year ended 31 December 2009. Mr. Lau was the chairman and managing director of PYI Corporation Limited as at the Latest Practicable Date. As disclosed in the section headed “Investments of the Company” in appendix I of this circular, Mr. Lau together with his associates held below 5% interest in PYI Corporation Limited as at the Latest Practicable Date.

Mr. Lui Siu Tsuen, Richard (“**Mr. Lui**”), an independent non-executive Director since December 2009, was an executive director of Hanny Holdings Limited, one of the top ten investments of the Company for the year ended 31 December 2009, from May 2002 to January 2009. Mr. Lui, together with his associates, also held below 5% interest in HSBC Holdings plc, one of the top ten investments of the Company as at the Latest Practicable Date. Mr. Lui was also an executive director of Rosedale Hotel Holdings Limited, one of the top ten investments of the Company for the year ended 31 December 2010, from April 2002 to January 2009.

Mr. Cheng Hairong, an executive Director since August 2010, together with his associates held below 5% interest in PYI Corporation Limited, New Capital International Investment Limited and ITC Corporation Limited, each of them being one of the top ten investments of the Company as at the Latest Practicable Date.

Other than the above and as set out in the section of “Investments of the Company” below, according to the best knowledge of the Directors, there were no cross shareholdings and common directorship between (i) the Company and any Substantial Shareholder, (ii) the Company and its Directors and (iii) the Company and its top ten investments for the year ended 31 December 2009 and 2010 and as at Latest Practicable Date.

### **Investment Manager**

Greater China Capital Limited (formerly known as Sinox Fund Management Limited) (“**GCC**”) is the investment manager of the Company for the three years ended 31 December 2010 and as at the Latest Practicable Date.

According to the best knowledge of the Directors, the following sets out the cross shareholdings and common directorship between (i) the investment manager and the Company and (ii) the investment manager and the top ten investments of the Company, and the common investment between the Company and the investment manager for the three years ended 31 December 2010 and as at Latest Practicable Date.

### **For the years ended 31 December 2009 and 2008**

Mr. Lam Kwing Wai, Alvin (“**Mr. Lam**”), who was the executive director of the Company for the year ended 2008 and 2009 and resigned on 30 December 2009, was also the non-executive director of GCC in 2008. For the year ended 2008 and 2009, Mr. Lam, who held an 80% shareholding in GCC, was also beneficially interested in 52.23% of the Company as at 31 December 2008 through Favor Hero, the entire issued share capital of which was then held by Mr. Lam. Mr. Lam ceased to be interested in the Company since October 2009.

Other than the above and as set out in the section of “Investments of the Company” below, according to the best knowledge of the Directors, there were no cross shareholdings and common directorship between (i) GCC and the Company and (ii) GCC and the top ten investments of the Company for the year ended 31 December 2008 and 2009 and there were no common investment between the Company and GCC for the year ended 31 December 2008 and 2009.

**As at Latest Practicable Date and for the year ended 31 December 2010**

Since November 2010, the Company held a 20% interest in GCA Professional Services Group Limited (“**GCA Professional**”), formerly known as GC Associates Limited, the holding company of GCC.

Mr. Ip Kwok Kwong and Mr. Wong Chi Keung, both directors of GCC since May 2010 were also the directors of GCA Professional Services Group Limited, one of the top ten investments of the Company as at Latest Practicable Date, since January 2010.

Other than the above and as set out in the section of “Investments of the Company” below, according to the best knowledge of the Directors, there were no cross shareholdings and common directorship between (i) GCC and the Company and (ii) GCC and the top ten investments of the Company for the year ended 31 December 2010 and as at the Latest Practicable Date and there were no common investment between the Company and GCC for the year ended 31 December 2010 and as at the Latest Practicable Date.

**INVESTMENTS OF THE COMPANY**

The following were the top ten investments held by the Company as at Latest Practicable Date.

| Description  | No. of Shares/<br>% of equity held | Closing<br>price/Cost as at<br>Latest<br>Practicable Date | Value/Cost<br>HK\$('000) |
|--|------------------------------------|---|--------------------------|
|  |                                    | HK\$  |                          |
| 1 ITC properties Group Limited (#199)                                  | 26,588,000                         | 1.71  | 45,465                   |
| 2 PYI Corporation Limited (#498) <sup>1, 2</sup>                       | 153,016,185                        | 0.235   | 35,959                   |
| 3 New Capital International Investment Limited<br>(#1062) <sup>2</sup> | 26,020,000                         | 1.14  | 29,663                   |
| 4 Rosedale Hotel Holdings Limited (#1189)                              | 27,000,000                         | 0.435   | 11,745                   |
| 5 ITC Corporation Limited (#372) <sup>2</sup>                          | 10,282,000                         | 0.29  | 2,982                    |
| 6 HSBC Holdings plc (#5) <sup>3</sup>                                  | 13,540                             | 61.85   | 837                      |
| 7 Interest in Rakarta Limited  | 8%                                 | –   | 53,000                   |
| 8 Interest in Yantai Juli Fine Chemical Co., Ltd                       | 1.5%                               | –   | 25,810                   |
| 9 Interest in GCA Professional Services Group<br>Limited               | 20%                                | –   | 5,000                    |
| 10 Interest in A Stars Entertainment Group Limited                     | 13.3%                              | –   | 5,000                    |

*Note:*

1. Mr. Lau Tom Ko Yuen, a non-executive Director, is currently the chairman and managing director of PYI Corporation Limited. Mr. Lau, together with his associates held below 5% interest in PYI Corporation Limited through his controlled corporations and options granted by PYI Corporation Limited.

2. Mr. Cheng Hairong, an executive Director, together with his associates held below 5% interest in the following top ten investment of the Company as at the Latest Practicable Date:
  - (i) PYI Corporation Limited
  - (ii) New Capital International Investment Limited
  - (iii) ITC Corporation Limited
3. Mr. Lui Siu Tsuen, Richard, an independent non-executive Director, together with his associates held below 5% interest in HSBC Holdings plc as at the Latest Practicable Date.

The following were the top ten investments bought by the Company for each of the three years ended 31 December 2010 and for the period from 1 January 2011 up to Latest Practicable Date.

**For the period from 1 January 2011 to the Latest Practicable Date**

| Description   | Acquisition<br>Cost<br>(HK\$'000) |
|---|-----------------------------------|
| 1 Acquisition of 8% interest in Rakarta Limited                                   | 53,000                            |
| 2 Acquisition of 956,226 shares in Hanny Holdings Limited – old (#2998)           | 4,671                             |
| 3 Acquisition of 20,000 shares in Hong Kong Exchanges and Clearing Limited (#388) | 3,530                             |
| 4 Acquisition of 130,000 shares of Jiangxi Copper Company Limited (#358)          | 3,251                             |
| 5 Acquisition of 40,000 shares of China Mobile Limited (#941)                     | 3,014                             |
| 6 Acquisition of 240,000 shares of PetroChina Company Limited (#857)              | 2,559                             |
| 7 Acquisition of 70,000 shares of China Shenhua Energy Company Limited (#1088)    | 2,373                             |
| 8 Acquisition of 140,000 shares of CNOOC Ltd (#883)                               | 2,352                             |
| 9 Acquisition of 15,000 shares of Hang Seng Bank Limited (#11)                    | 1,864                             |
| 10 Acquisition of 60,000 shares of China Life Insurance Company Limited (#2628)   | 1,860                             |

## For the year ended 31 December 2010

| Description  | Acquisition<br>Cost<br>(HK\$'000) |
|--|-----------------------------------|
| 1 Acquisition of 26,588,000 shares of ITC properties Group Limited (#199)                  | 45,592                            |
| 2 Acquisition of 27,520,000 shares of New Capital International Investment Limited (#1062) | 34,431                            |
| 3 Acquisition of 1.5% interest in Yantai Juli Fine Chemical Co., Ltd                       | 25,810                            |
| 4 Acquisition of 27,000,000 shares of Rosedale Hotel Holdings Limited (#1189) <sup>1</sup> | 15,550                            |
| 5 Acquisition of 550,000 shares of PetroChina Company Limited (#857)                       | 5,062                             |
| 6 Acquisition of 20% interest in GCA Professional Services Group Limited                   | 5,000                             |
| 7 Acquisition of 13.33% interest in A Stars Entertainment Group Limited                    | 5,000                             |
| 8 Acquisition of 10,282,000 shares in ITC Corporation Limited (#372)                       | 4,885                             |
| 9 Acquisition of 60,000 shares in China Mobile Limited (#941)                              | 4,808                             |
| 10 Acquisition of 9,562,260 shares in Hanny Holdings Limited (#275)                        | 4,671                             |

*Note:*

1. Mr. Lui Siu Tsuen, Richard, an independent non-executive Director since December 2009, was an executive director of Rosedale Hotel Holdings Limited from April 2002 to January 2009.

## For the year ended 31 December 2009

| Description  | Acquisition<br>Cost<br>HK\$('000) |
|--|-----------------------------------|
| 1 146,863,544 shares of PYI Corporation Limited (#498) <sup>1</sup>  | 48,465                            |
| 2 200,000,000 shares of EPI (Holdings) Limited (#689)  | 44,000                            |
| 3 268,000,000 shares of Neo Telemedia Limited (#8167)  | 40,200                            |
| 4 Acquisition of 1,998,720 shares of China Petroleum & Chemical Corporation (#386)   | 15,502                            |
| 5 Acquisition of Hanny Holdings Limited (#275) convertible bond at 2% coupon with maturity at 06/2011 (10/09) <sup>2</sup> | 12,330                            |
| 6 Acquisition of 99,540 shares of HSBC Holdings plc (#5)   | 11,624                            |

| Description   | Acquisition<br>Cost<br>HK\$('000) |
|---|-----------------------------------|
| 7 Acquisition of 1,359,020 shares of China Construction Bank Corporation (#939) | 7,752                             |
| 8 Acquisition of 72,800 shares of China Mobile Limited (#941)                   | 7,749                             |
| 9 12,000,000 shares of Vision Tech International Holdings Limited (#922)        | 7,047                             |
| 10 Nil  | 0                                 |

*Note:*

1. In 2009, Mr. Lau, a non-executive Director, was the deputy chairman and managing director of PYI Corporation Limited. Mr. Lau held below 5% interest in PYI Corporation Limited through his controlled corporations and options granted by PYI Corporation Limited.
2. In 2009, Mr. Lui Siu Tsuen, Richard, an independent non-executive Director since December 2009, was an executive director of Hanny Holdings Limited from May 2002 to January 2009.

**For the year ended 31 December 2008**

| Description   | Acquisition<br>Cost<br>HK\$('000) |
|---|-----------------------------------|
| 1 Convertible bond of Rosedale Hotel Holdings Limited (#1189) at 2% coupon with redemption at 110% (12/08)  | 60,000                            |
| 2 The Global Options Fund – issued by Citibank (Ireland)  | 23,400                            |
| 3 2,269,180 shares of PetroChina Company Limited (#857)   | 23,262                            |
| 4 46,500,000 shares of Cosmopolitan International Holdings Limited (#120)   | 19,478                            |
| 5 150,000 shares of HSBC Holdings plc (#5)  | 18,674                            |
| 6 24 months USD callable daily accrual equity linked note with 15% on Bank of Communications Co., Ltd. (#3328) and China Life Insurance Company Limited (#2628) | 15,600                            |
| 7 91,000,000 shares of Neo Telemedia Limited (#8167)  | 13,650                            |
| 8 Acquisition of 1 month USD/AUD currency – linked deposit at HSBC Private Bank   | 11,700                            |
| 9 12 months USD Callable Daily Accrual Equity Linked Note with 18% on China Construction Bank Corporation (#939) – \$7.13 at HSBC Private Bank (05/08)          | 7,800                             |
| 10 6 months USD Callable Daily Accrual Equity Linked Note with 30% on PetroChina Company Limited (#857) – \$11.54 at HSBC Private Bank (05/08)                  | 7,800                             |

The tables below set out the top three investments that resulted in most realised investment gain/(loss) for each of the three years ended 31 December 2010 and for the period from 1 January 2011 to Latest Practicable Date.

**For the period from 1 January 2011 to Latest Practicable Date**

|   | <b>Realised<br/>Gain/(loss)<br/>(HK\$'000)</b> |
|---|--|
| Hanny Holdings Limited – Rights (#2999)   | 830  |
| PetroChina Company Limited (#857)         | 196  |
| Anhui Conch Cement Company Limited (#914) | 138  |
| Hanny Holdings Limited – old (#2998)      | (4,139)  |
| China Boon Holdings Limited (#922)        | (1,540)  |
| HSBC Holdings plc (#5)                    | (644)  |

**For the year ended 31 December 2010**

|  | <b>Realised<br/>Gain/(loss)<br/>(HK\$'000)</b> |
|--|--|
| New Capital International Investment Limited (#1062) | 311  |
| Hutchison Whampoa Limited (#13)                      | 262  |
| Cheung Kong (Holdings) Limited (#1)                  | 207  |
| EPI Holdings Limited (#689)                          | (18,886)                                       |
| Neo Telemedia Limited (#8167)                        | (12,223)                                       |
| HSBC Holdings plc (#5)                               | (1,447)  |

**For the year ended 31 December 2009**

|  | <b>Realised<br/>Gain/(loss)<br/>HK\$'000</b> |
|--|--|
| Cosmopolitan International Holdings Limited (#120) | 8,678  |
| iOne Holdings Limited (#982)                       | 905  |
| China Construction Bank Corporation (#939)         | 402  |
| China Investment Fund Company Limited (#612)       | (26,400)                                     |
| HSBC Holdings plc (#5)                             | (12,111)                                     |
| China Petroleum & Chemical Corporation (#386)      | (6,898)                                      |

For the year ended 31 December 2008

|   | <b>Realised<br/>Gain/(loss)<br/><i>HK\$'000</i></b> |
|---|---|
| Midland IC&I Limited (#8090)                    | 2,032   |
| Bank of Communications Co., Ltd. (#3328)        | 345   |
| Global Solution Engineering Limited (#8192)     | 268   |
| Country Garden Holdings Company Limited (#2007) | (10,630)  |
| PetroChina Company Limited (#857)               | (9,727)   |
| Sun Hung Kai & Co Limited (#86)                 | (8,479)   |



## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company (“Model Code”) or (c) which were required to be entered into the register pursuant to section 352 of the SFO were as follows:

### Long Positions

| Name of Director | Interests in Shares/underlying Shares |                       |                        |             | Total       | % of issued share capital of the Company |
|------------------|---------------------------------------|-----------------------|------------------------|-------------|-------------|--|
|                  | Personal*                             | Family <sup>+</sup>   | Corporate <sup>#</sup> |             |             |  |
| Lau Tom Ko Yuen  | –                                     | 266,890,840<br>(Note) | 266,890,840<br>(Note)  | 266,890,840 | 266,890,840 | 37.46% <sup>@</sup>                      |
| Cheng Hairong    | 9,370,000                             | –                     | 266,890,840<br>(Note)  | 276,260,840 | 276,260,840 | 38.77% <sup>@</sup>                      |

\* Beneficial Owner

+ Interests of spouse

# Interests beneficially held by the company itself or through companies controlled by it

@ Calculated based on the issued share capital of 712,546,800 Shares as at the Latest Practicable Date

*Note:* The Shares were held by Favor Hero Investments Limited, a company controlled as to 51% by Sun Matrix Limited and as to 49% by Glory Avenue Limited. Sun Matrix Limited was controlled as to 50% by Mr. Lau Tom Ko Yuen and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen. Glory Avenue Limited was wholly controlled by Mr. Cheng Hairong.

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

### 3. INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at the Latest Practicable Date, according to the register of interest kept by the Company under Section 336 of the SFO and so far as was known to the Directors, the following are details of the persons (other than a Director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital (including any option in respect of such capital) carrying rights to vote in all circumstances at general meeting of any other member of the Group:

#### Long Positions

| Name of Shareholders           | Interests in Shares/ underlying Shares |                       |                        | Total       | % of issued share capital of the Company |
|--------------------------------|--|-----------------------|------------------------|-------------|--|
|                                | Personal*                              | Family <sup>+</sup>   | Corporate <sup>#</sup> |             |  |
| Favor Hero Investments Limited | –                                      | –                     | 266,890,840<br>(Note)  | 266,890,840 | 37.46% <sup>@</sup>                      |
| Sun Matrix Limited             | –                                      | –                     | 266,890,840<br>(Note)  | 266,890,840 | 37.46% <sup>@</sup>                      |
| Lau Tom Ko Yuen                | –                                      | 266,890,840<br>(Note) | 266,890,840<br>(Note)  | 266,890,840 | 37.46% <sup>@</sup>                      |
| Lan Yi                         | –                                      | 266,890,840<br>(Note) | 266,890,840<br>(Note)  | 266,890,840 | 37.46% <sup>@</sup>                      |
| Glory Avenue Limited           | –                                      | –                     | 266,890,840<br>(Note)  | 266,890,840 | 37.46% <sup>@</sup>                      |
| Cheng Hairong                  | 9,370,000                              | –                     | 266,890,840<br>(Note)  | 276,260,840 | 38.77% <sup>@</sup>                      |
| Fong Ngai Frank                | 59,380,000                             | –                     | –                      | 59,380,000  | 8.33% <sup>@</sup>                       |

\* Beneficial Owner

+ Interests of spouse

# Interests beneficially held by the company itself or through companies controlled by it

@ Calculated based on the issued share capital of 712,546,800 Shares as at the Latest Practicable Date

Note: Favor Hero Investments Limited was controlled as to 51% by Sun Matrix Limited and as to 49% by Glory Avenue Limited. Sun Matrix Limited was controlled as to 50% by Mr. Lau Tom Ko Yuen and 50% by Ms. Lan Yi, the spouse of Mr. Lau Tom Ko Yuen. Glory Avenue Limited was wholly controlled by Mr. Cheng Hairong.

Save as disclosed above, the Directors are not aware that there is any party who, as at the Latest Practicable Date, had an interest or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such Shares.

#### **4. SERVICE CONTRACT**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable 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, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

#### **6. COMPETING INTERESTS**

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective associates were considered to have interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

#### **7. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**

No contract or arrangement in which any of the Directors is materially interested and which is significant in relation to the business of the Group subsisted as at the Latest Practicable Date. As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2010 (the date to which the latest published audited accounts 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. MATERIAL CONTRACTS**

The following contracts, not being contracts entered into in the ordinary course of business, are entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and which are or may be material:

- (a) a subscription agreement dated 28 January 2010 made between the Company as issuer and Favor Hero Investments Limited as subscriber in relation to the subscription by Favor Hero Investments Limited of 21,300,000 new Shares at a subscription price of HK\$1.80 per subscription share as part of a top-up placing undertaken by the Company;

- (b) a placing agreement dated 28 January 2010 made between the Company as issuer and Baron Capital Limited as placing agent in relation to the issue of convertible notes with principal amount of HK\$30,000,000;
- (c) a subscription agreement dated 28 January 2010 made between the Company as issuer and Favor Hero Investments Limited as subscriber in relation to the subscription of convertible notes;
- (d) a termination agreement dated 10 September 2010 made between the Company as issuer and Baron Capital Limited as placing agent in relation to the termination of the placing agreement dated 28 January 2010;
- (e) a termination agreement dated 10 September 2010 made between the Company as issuer and Favor Hero Investments Limited as subscriber in relation to the termination of the subscription agreement dated 28 January 2010;
- (f) a share placing and subscription agreement dated 29 July 2010 made between the Company as issuer, Favor Hero Investments Limited as vendor and BOCI Asia Limited as placing agent in relation to the top-up placing of 119,600,000 Shares at a subscription price of HK\$0.75 per share; and
- (g) the Disposal Agreement.

## **9. 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 December 2010, the date to which the latest published audited accounts of the Group were made up.

## **10. MISCELLANEOUS**

- (a) The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is at Suite 2701, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (d) The company secretary of the Company is Ms. Fung Mei Ling. Ms. Fung is an associate member of The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators.
- (e) The English text of this circular, the notice of the SGM and the accompanying form of proxy shall prevail over their respective Chinese text.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Suite 2701, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the annual reports of the Company for each of the two financial years ended 31 December 2009 and 31 December 2010;
- (c) the interim report of the Company for the six months ended 30 June 2011;
- (d) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (e) a copy of each circular of the Company issued pursuant to the requirements of Chapter 14 and/or 14A of the Listing Rules since the date of the latest published audited accounts of the Company.

---

## NOTICE OF SGM

---



### PROSPERITY INVESTMENT HOLDINGS LIMITED

嘉進投資國際有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 310)**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Prosperity Investment Holdings Limited (“the **Company**”) will be held at Suite 103, 1st Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong, on Friday, 16 December 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution (with or without modifications) as ordinary resolution of the Company:

#### ORDINARY RESOLUTION

**“THAT**

- (a) the sale and purchase agreement dated 27 October 2011 (the “Disposal Agreement”) entered into between Genius Choice Investments Limited (the “Vendor”), an indirect wholly-owned subsidiary of the Company, and Sino Tycoon Investments Limited (the “Purchaser”) (a copy of which, together with the draft shareholders’ agreement (“Shareholders’ Agreement”) in relation to Glorious Bright Limited (“Glorious Bright”) to be executed upon completion of the Disposal Agreement annexed, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked “A”) pursuant to which the Vendor agrees to sell seventy per cent (70%) of the issued share capital of Glorious Bright as at completion and HK\$9,800,000 being part of the shareholder’s loans due by Glorious Bright to the Vendor as at completion, the terms and conditions thereof and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the board of directors of the Company (the “Board”) be and is hereby authorised to do all such acts and things and sign all such documents and to take such steps as it considers necessary or expedient or desirable in connection with or to give effect to the Disposal Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the Board, in the interests of the Company.”

By Order of the Board  
**Prosperity Investment Holdings Limited**  
**Cheng Hairong**  
*Chairman*

Hong Kong, 30 November 2011

\* *For identification purpose only*

---

## NOTICE OF SGM

---

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business*

*in Hong Kong:*

Suite 2701, Shui On Centre,  
6-8 Harbour Road,  
Wanchai,  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited with the Hong Kong share registrars of the Company, Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.