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

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CHINA INVESTMENTS HOLDINGS LIMITED

中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

**MAJOR TRANSACTION
PROCUREMENT AND CONSTRUCTION AGREEMENT**

A letter from the Board is set out on pages 3 to 8 of this circular.

The transactions being the subject matter of this circular have been approved by written shareholders' approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

22 May 2023

* For identification purpose only

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DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	China Investments Holdings Limited (中國興業控股有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 132)
“Consortium”	the consortium comprising Guangdong Structural Engineering, Hangzhou Urban Construction Design Institute and East China 267 Institute
“Danzao Industry Park”	The new energy industrial park in Danzao Town, Nanhai District, Foshan City, the PRC operated by the Group
“Director(s)”	the director(s) of the Company
“EPC Agreement”	the engineering design, procurement and construction agreement dated 28 April 2023 entered into between Sino Rock Tyco and the Consortium for the New Energy Factory Project
“East China 267 Institute”	East China 267 Engineering Survey Institute of Nuclear Industry* (核工業華東二六七工程勘察院), a whole people owned enterprise incorporated in the PRC
“Group”	the Company and its subsidiaries
“Guangdong Structural Engineering”	Guangdong Structural Engineering Construction Co., Ltd.* (廣東省構建工程建設有限公司), a company incorporated in the PRC with limited liability
“Hangzhou Urban Construction Design Institute”	Hangzhou Urban Construction Design and Research Institute Co., Ltd.* (杭州市城建設計研究院有限公司), a company incorporated in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Latest Practicable Date”	18 May 2023, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Energy Factory Project”	a new energy factory project comprises 4 single storey factories, a four-storey factory and a seven-storey complex building to be constructed with a gross floor area of approximately 86,000 square metres at a site situated in plot number 13, Danzao Industry Park, Nanhai District, Foshan City, Guangdong Province, the PRC
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Sino Rock Tyco”	Guangdong Sino Rock Tyco Construction Co., Ltd.* (廣東中岩泰科建設有限公司), a company incorporated in the PRC with limited liability and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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LETTER FROM THE BOARD



CHINA INVESTMENTS HOLDINGS LIMITED

中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

Executive Directors:

He Xiangming (*Chairman*)

Fu Weiqiang (*Managing Director*)

You Guang Wu

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-executive Directors:

Chan Kwok Wai

Deng Hong Ping

Peng Xinyu

22 May 2023

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION PROCUREMENT AND CONSTRUCTION AGREEMENT

INTRODUCTION

Reference is made to the announcement of the Company dated 28 April 2023 in relation to the entering into of the EPC Agreement with the successful bidder, pursuant to which the Consortium has been engaged as the general contractor for the survey, design and construction works for the New Energy Factory Project. The consideration payable by Sino Rock Tyco under the EPC Agreement is RMB202,190,200 (equivalent to approximately HK\$229,283,687).

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

LETTER FROM THE BOARD

THE EPC AGREEMENT

The Board is pleased to announce that upon the successful conclusion of the open tender at the Foshan Public Resources Trading Platform (佛山市公共資源交易信息化綜合平台), Sino Rock Tyco has entered into the EPC Agreement with the successful bidder, the principal terms of which are as follows: –

Date:

28 April 2023

Parties:

- (1) Principal: Sino Rock Tyco, a subsidiary of the Company; and
- (2) Successful bidder: the Consortium

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Consortium and its ultimate beneficial owners are third parties independent of the Company and its connected persons under the Listing Rules.

Subject matter

The Consortium has been engaged as the general contractor for the survey, design and construction works for the New Energy Factory Project. Non-essential works may be sub-contracted out by the Consortium with Sino Rock Tyco's consent.

It is expected that all works will be completed within 18 months from the date of the EPC Agreement (i.e. on or before 27 October 2024).

Consideration

The consideration amount payable by Sino Rock Tyco under the EPC Agreement is RMB202,190,200 (equivalent to approximately HK\$229,283,687), subject to adjustments upon completion, comprising:–

- (i) a survey fee of RMB368,200 (equivalent to approximately HK\$417,539);
- (ii) a design fee of RMB2,370,000 (equivalent to approximately HK\$2,687,580); and
- (iii) a construction and installation fee of RMB199,452,000 (equivalent to approximately HK\$226,178,568).

LETTER FROM THE BOARD

The final consideration may be adjusted upon completion with reference to factors including any change in construction work, increase in construction costs due to amendments made in the relevant PRC laws and regulatory requirements, the final construction plans and fluctuation in material costs, which is not expected to be significant. The Company will make further announcement (at the time if any material adjustments are made) if and as required under the Listing Rules.

The consideration amount was determined through an open tender process, which involved assessment of factors including the ceiling bid price, discount offered by the Consortium, its relevant experience, the scope of work involved and estimated costs and expenses necessary for the survey, design and construction of the New Energy Factory Project. In short, the ceiling bid price of RMB205,180,000 (equivalent to HK\$232,674,120, in this case) was determined with reference to the project budget report prepared by an independent professional agency based on its estimate of the project costs and expenses in line with construction market standards. The discount was offered by the Consortium for competitiveness and helped indicate the proficiency of the Consortium in cost-effectively handling the project in view of its work experience relevant to the project scope, which are all factors relevant assessing a bid.

Payment terms

The consideration payment will be satisfied in cash through internal resources and/or available facilities of the Group. Sino Rock Tyco will pay to the Consortium the fees in the following manner: –

- (i) Survey fee – 10% within 15 working days after the signing of the EPC Agreement, 60% within 30 days after receiving the qualified documents in relation to the approval of the relevant survey reports, and 30% after the passing of completion inspection;
- (ii) Design fee – 10% within 15 working days after the signing of the EPC Agreement, 25% within 30 days after receiving the construction planning permit issued by the relevant government authority, 35% within 30 days after receiving the approval of the construction drawings by the relevant approval centre, 20% within 30 days after the completion of works, and 10% after the passing of completion inspection; and
- (iii) Construction fee – up to 85% based on the monthly assessment of the work performed by the Consortium which will be paid on a monthly basis, up to 90% after the completion of works and up to 100% post completion inspection, subject to 3% being retained as quality assurance deposit which will be paid upon expiry of the defect liability period (being 24 months from the passing of completion inspection of the works).

LETTER FROM THE BOARD

Performance guarantee

The Consortium has provided Sino Rock Tyco with a performance guarantee to guarantee the due performance and successful completion of the survey, design and construction works for the New Energy Factory Project by way of a letter of guarantee issued by bank with the term from 25 April 2023 to 31 October 2024. The amount of performance guarantee is equivalent to 10% of the total consideration for the EPC Agreement (representing approximately RMB20,219,020 (equivalent to approximately HK\$22,928,369)). A claim notice will be submitted by Sino Rock Tyco to the insurer upon any failure on the performance of its obligations under the EPC Agreement by the Consortium, including but not limited to, delay in completion on the part of the Consortium and the quality of works do not meet the standards pursuant to the EPC Agreement. The amount of performance guarantee would be payable to the Company upon submission of a claim notice stating the total amount of the claim to the insurer within the effective term of the letter of guarantee. The payment will be paid in cash from the insurer to the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EPC AGREEMENT

The Group operates the Danzao Industry Park, which is a new energy industrial park located in Danzao Town, Nanhai District, Foshan City, the PRC for leasing to new energy related businesses, including electric vehicle and hydrogen powered fuel cell vehicle productions. Income from the Danzao Industry Park helps to enhance the operating income of the Group.

The Group regularly engages contractors through separate tender processes for its construction needs in different projects, including the Danzao Industry Park, from time to time depending on capital expenditure requirements and availability of funds.

The New Energy Factory Project requires expertise in the areas of survey, design, procurement and construction. The principal activities of the Consortium include engineering design, engineering survey and construction works, and the Consortium has substantial experience, competent expertise and a proven track record in these areas of work. It is therefore in the interest of Sino Rock Tyco to leverage on the expertise of the Consortium, and engage the Consortium for implementing the construction of the New Energy Factory Project under the EPC Agreement.

The Directors consider that the EPC Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL EFFECTS OF THE EPC AGREEMENT

Upon completion of the EPC Agreement, the consideration amounting to RMB202,190,200 (equivalent to approximately HK\$229,283,687) will be paid by the Group. The non-current assets of the Group will be increased and the cash and cash equivalent will be decreased accordingly. There will be no impact on the liabilities of the Group.

The transaction will have no impact on the profit or loss of the Group.

LETTER FROM THE BOARD

LISTING RULES IMPLICATION

As one of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the EPC Agreement exceeds 25% but all of them are less than 100%, the EPC Agreement and the transactions contemplated thereunder constitute a major transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As no Shareholder is considered to be materially interested in the EPC Agreement or required to abstain from voting at any general meeting of the Company approving the transactions contemplated under the EPC Agreement, the Company has pursuant to Rule 14.44 of the Listing Rules obtained written approval of the transactions contemplated under the EPC Agreement from Prize Rich Inc., a Shareholder holding 1,222,713,527 issued ordinary shares of the Company (representing 71.41% of its entire issued share capital as at the date of this announcement). As such, the Company is exempted from convening a general meeting of its Shareholders to approve the transactions contemplated under the EPC Agreement.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in wellness elderly care, finance leasing, property investments in both properties held for sale and investment properties, big data, civil explosives, hotel investment, management and operation businesses. Through its joint ventures and associated companies, the Group also participates and invests in fast growing sectors, including electric utilities in the PRC.

Sino Rock Tyco

Sino Rock Tyco is principally engaged in property investment, development, construction, operation and management.

The Consortium

Guangdong Structural Engineering

Guangdong Structural Engineering is a limited liability company established under the laws of the PRC and is principally engaged in provision of housing construction, municipal public works construction and concrete prefabricated components. Guangdong Structural Engineering is indirectly owned as to approximately 40% by the State-owned Assets Supervision and Administration Bureau of Nanhai District, Foshan City* (佛山市南海區國有資產監督管理局) and approximately 60% by Guangdong No. 2 Hydropower Engineering Co., Ltd.* (廣東水電二局股份有限公司), a state-owned enterprise established under the laws of the PRC and a company listed on the Shenzhen Stock Exchange (stock code: 002060).

LETTER FROM THE BOARD

Hangzhou Urban Construction Design Institute

Hangzhou Urban Construction Design Institute is a limited liability company established under the laws of the PRC and is principally engaged in provision of engineering design and engineering consulting. Hangzhou Urban Construction Design Institute is owned as to approximately 17.66% by Hangzhou Urban Construction Design Institute's union committee* (杭州市城建設計研究院有限公司工會委員會) which comprises all employees of Hangzhou Urban Construction Design Institute and each employee entitled to equal rights in the union committee (for reference, Hangzhou Urban Construction Design Institute has 672 employees as at the date of this announcement), and as to approximately 82.34% in total by 42 employees of the Hangzhou Urban Construction Design Institute, save for five employees who hold approximately 10.36% by Yang Shulin (楊書林), 7.48% by Zhao Linqiang (趙林強), 6.10% by Wang Zhengfa (王正法), 5.60% by Wang Yingen (王銀根), 5.10% by Jin Tiande (金天德), the other 37 employees hold no more than 5% respectively.

East China 267 Institute

East China 267 Institute is an enterprise owned by the whole people and established under the laws of the PRC and is principally engaged in the provision of engineering survey, surveying and mapping, geological disaster prevention and assessment. East China 267 Institute is directly wholly-owned by the state-owned No. 3 Geological Party, Jiangxi Bureau of Geology* (江西省地質局第三地質大隊).

RECOMMENDATIONS

The Directors consider that the terms of the EPC Agreement and the transactions contemplated thereunder are on normal commercial terms which are made on an arm's length basis and are fair and reasonable, and in the best interests of the Group and the Shareholders as a whole.

Accordingly, if a general meeting were to be convened, the Board would recommend the Shareholders to vote in favour of the ordinary resolution to approve the EPC Agreement and the transactions contemplated thereunder at such general meeting.

ADDITIONAL INFORMATION

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

On behalf of
China Investments Holdings Limited
HE Xiangming
Chairman

* For identification purpose only

1. FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for each of the three years ended 31 December 2020, 2021 and 2022 are disclosed in the following annual reports of the Company for the years ended 31 December 2020, 2021 and 2022 respectively, which have been published and are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://chinainvestments.tonghair.com>):

- the annual report 2020 of the Company for the year ended 31 December 2020 which was published on 29 April 2021 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901219.pdf>), please refer to pages 75 to 273 in particular;
- the annual report 2021 of the Company for the year ended 31 December 2021 which was published on 28 April 2022 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042802012.pdf>), please refer to pages 126 to 301 in particular; and
- the annual report 2022 of the Company for the year ended 31 December 2022 which was published on 27 April 2023 (available on: <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0427/2023042700579.pdf>), please refer to pages 131 to 309 in particular.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 March 2023, the Group had outstanding interest bearing bank loans of approximately HK\$4,531,905,000 (comprising secured and guaranteed bank loans of approximately HK\$4,074,325,000 and unsecured and unguaranteed bank loans of approximately HK\$457,580,000) which were secured by the pledge of investment properties of HK\$366,979,000, plant, property and equipment of HK\$394,228,000, bank deposit of HK\$6,374,000, finance lease receivables and future interest receivable of HK\$2,768,532,000, paid-up capital of a non-wholly owned subsidiary of HK\$231,995,000 and a future rental receivable from the properties. Among such loans, a small number of them are having a maturity profile in the near term (maturing in 2023) and the rest are in the midterm (maturing in 2024, 2025 and 2026) to long term (maturing in 2027, 2028, 2035, 2037, 2046 and 2047).

The Group had unsecured and unguaranteed interest bearing loans from its immediate holding company and non-controlling interest of approximately HK\$136,000,000 and HK\$29,551,000 respectively, all of which will mature in 2024 and 2025. The Group also had unguaranteed interest bearing loans from other independent third parties of approximately HK\$129,568,000 (comprising secured loans of approximately HK\$49,569,000 by the pledge of finance lease receivables and future interest receivable of HK\$56,390,000 and unsecured loans of approximately HK\$79,999,000). All loans will mature in 2023 and 2024.

The Group had outstanding secured and guaranteed asset backed securities of approximately HK\$342,850,000 by the pledge of finance lease receivables and future interest receivable of HK\$343,683,000 and unsecured and guaranteed other bonds of approximately HK\$342,580,000.

In addition, the Group had unsecured and unguaranteed lease liabilities and outstanding convertible notes of approximately HK\$1,086,675,000 and aggregate principal amount of HK\$166,232,000 issued by the Company will mature on 13 October 2024 respectively.

Save as aforesaid or otherwise disclosed herein, as at the close of business on 31 March 2023, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

At the Latest Practicable Date, the Directors confirm that there had been no material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

4. WORKING CAPITAL

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

The Company has obtained the relevant confirmation as required under Rule 14.66 (12) of the Listing Rules.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Although the Group faces the impact of economic uncertainty worldwide and in China brought about by fluid epidemic dynamics, coupled with the outbreak of the war in Ukraine early this year that has triggered economic sanctions imposed by various countries on Russia that shook the global economy and created elevated uncertainty, the Group will continue to rise to the challenge, proactively adjust its business presence based on market trends and navigate through adversities. With experience accumulated during the course of transformation and upgrade over the past years, the Group will strive to constantly enhance its business activities, and steadily develop its business in elderly care and wellness, financial leasing, industrial parks/property investment, big data and civil explosives.

In respect of the elderly care and wellness business, although the deep impact of the epidemic in 2022 put pressure on our business results in the short run, we will remain steadfast to focus on the long-term and extensive development prospects of our elderly care and wellness business and continue to head towards the direction of developing a three-tier elderly care and wellness system comprising institutions, communities and households. The Outline of the Fourteenth Five-Year Plan for the National Economic and Social Development and the Long-Range Objectives through the Year 2035 of the People's Republic of China has put forward a national strategy in response to population ageing, under this overall backdrop, Nanhai District attaches great importance to elderly care efforts, and the establishment and improvement of the elderly care service system will be the focus. We consider that the Group can ride on the opportunity to gain the recognition and support of the Nanhai District Government for the Group's elderly care business on the back of taking over the operation of Nanhai District Welfare Center and Jiujiang Nursing Home last year, and proactively strive to expand its cooperation with various towns and sub-districts under the Nanhai District Government. During the year, the Group successfully entered into entrusted operation agreements with Xiqiao Town, Dali Town, Shishan Town and Lishui Town under the Nanhai District Government for their respective public elderly care institutions to take over several public elderly care institutions, resulting in a growing number of nursing beds. The Group strives to expand its cooperation with other towns and sub-districts under the Nanhai District Government. With Nanhai as the core, we can establish our presence in Foshan, and extend to Guangdong and the Guangdong-Hong Kong-Macao Greater Bay Area to build a first-rate elderly care and wellness industry investment group in the Greater Bay Area. The Group is also committed to enhancing and improving the quality of elderly care services through technology and exploring further collaboration with its big data business to achieve organically integrated synergy. We can build our Taoyuan elderly care and wellness brand in full swing to make it a quality mark and an industrial benchmark and push forward our elderly care and wellness business as the Group's principal core business.

In respect of the big data business, in addition to seeking synergistic collaboration with the elderly care and wellness business, we will proactively consolidate internal resources riding on our previous experience in business development and accumulated resources, strive to improve corporate qualifications and merits, facilitate the transformation and upgrade of the manufacturing industry in the region in the direction of the industrial Internet platform and in light of the industry attributes and development demand of the manufacturing industry in the region, make every effort to become a first-class industrial Internet platform service provider in the Guangdong-Hong Kong-Macao Greater Bay Area, and reverse adverse circumstances and achieve development goals.

In respect of the financial leasing business, despite the challenges brought about by the increasingly fierce market competition landscape and challenges, we will focus on the strategic goal of developing it into a leading domestic professional financial leasing company featuring environmental protection. We will continue to intensively tap into segments of the municipal environmental protection industry, make every effort to overcome challenges and difficulties, step up client visits, focus on intensive cultivation of core clients, and vigorously tap into target clients from the club and business school of the E20 Environment Platform as well as local environmental protection associations. We will also continue to carry out marketing activities targeting SOEs, municipal environmental protection authorities, and green energy projects in Foshan and various regions in China, selectively developing quality municipal environmental protection and green energy projects of SOEs in the Greater Bay Area and the Pan-Pearl River Delta region. We will adhere to the general strategy of putting stability first and making progress while maintaining stability when we conduct stringent pre-leasing reviews, select the best from the good, ensure that the implementation of post-leasing management and supervision is in place, and implement post-leasing management assessment to the project level and to the individual level to ensure that the management of existing projects is timely and effective and reduce the risk of bad debts. Meanwhile, we will continue to diversify financing channels, including equity and debt financing. We will vigorously promote the issuance of Asset Backed Security (ABS) and other financing plans to enhance the financial strength of our financial leasing business to meet the capital needs for future business development of the Group.

In respect of the property and industrial park business, the Group will continue to develop the new energy industrial park in Danzao Town, Nanhai District, Foshan City, the PRC by proactively arranging further preparation work for the development of the third and fourth phases of the project in addition to the development of its first and second phases. Meanwhile, we will intensify promotion efforts in business attraction, in a bid to successively introduce enterprises into the park, maintain full communication with settled enterprises, and ensure the quality of property management services to boost the occupancy rate of the park, so as to generate stable rental income and related gains for the Group.

In respect of the civil explosives business, Tiannuo will vigorously unleash excessive mixed assembly production capacity to increase revenue, and proactively implement reform measures including enhancement of staff mix and remuneration system to reduce costs and boost efficiency. Meanwhile, it will continue to push forward technological innovation and enhance processes and formulae to achieve greater breakthroughs through boosting efficiency by technology, so as to substantially improve its future performance and contribute steady revenue streams to the Group in the future.

In addition, the Group will aggressively explore opportunities to carry out investment and merger and acquisition of biopharmaceutical and high-tech enterprises or projects to seek leapfrog development of the business of the Company, thereby delivering good returns to the shareholders of the Company.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

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

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

Long positions in the Shares

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

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

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

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

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

Name of Shareholder	Capacity of Shareholder	Number of Shares/underlying Shares		Approximate percentage of total issued Shares as at the Latest Practicable Date ¹
		Long position	Short position	
Glories Holdings (HK) Limited	Beneficial Owner	1,441,439,842 ²	–	84.18%
Prize Rich Inc.	Corporate Interest	1,441,439,842 ²	–	84.18%
廣東南海控股集團有限公司 (Guangdong Nanhai Holding Group Co., Ltd.*)	Corporate interest	1,441,439,842 ²	–	84.18%

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

2. These 1,441,439,842 shares/underlying shares are held by Prize Rich Inc., which is wholly-owned by Guangdong Nanhai Holding Group Co., Ltd.* (廣東南海控股集團有限公司). On 25 July 2022, Prize Rich Inc. agreed to transfer 1,222,713,527 shares and HK\$166,232,000 convertible bonds (with underlying shares of 218,726,315) to its wholly-owned subsidiary, Glories Holdings (HK) Limited, pursuant to the equity and convertible bonds transfer agreement.

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

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

3. DIRECTORS' COMPETING INTERESTS

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

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

As at the Latest Practicable Date,

- (a) none of the Directors was materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. MATERIAL CONTRACTS

The following are contracts entered into by the members of the Group within the two years immediately preceding the date of this circular and which is or may be material or of significance:

- (a) the agreement dated 26 August 2021 entered into between Guangdong Taoyuan Comprehensive Health Operation Co., Ltd.* (廣東桃苑大健康產業運營有限公司) (“**Guangdong Taoyuan**”) and State-owned Assets Supervision and Administration Bureau of Nanhai District, Foshan City* (佛山市南海區國有資產監督管理局) in relation to the handover of a comprehensive services building for the disabled to Guangdong Taoyuan for operation, management and use for the payment of no more than RMB56,350,000 for a term of 40 years;
- (b) the engineering, procurement and construction agreement dated 8 November 2021 entered into between Guangdong Taoyuan and the consortium comprising Guangdong Province Building and Construction Building and Construction Co., Ltd.* (廣東省構建工程建設有限公司), Guangdong Jianya Interior Design and Engineering Co., Ltd.* (廣東建雅室內工程設計施工有限公司) and Zhongyu Design Co., Ltd.* (中譽設計有限公司) in relation to the engagement of the consortium as the general contractor for design, procurement and construction works for the renovation and refurbishment of a comprehensive services building for the disabled at a consideration of RMB70,902,702.37; and
- (c) the engineering, procurement and construction agreement dated 20 September 2022 entered into between Guangdong Taoyuan and the consortium comprising Guangdong Yingju Construction Engineering Co., Ltd.* (廣東英聚建築工程有限公司) and Guangdong Province Jianke Architectural Design Institute Co., Ltd.* (廣東省建科建築設計院有限公司) in relation to the engagement of the consortium as the general contractor for design, procurement and construction works for an elderly home at a consideration of RMB136,220,443.70.

6. LITIGATION

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

7. DIRECTORS’ SERVICE CONTRACTS

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

8. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The branch share registrar of the Company is Tricor Progressive Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (c) The Company's head office and principal place of business in Hong Kong is at Unit 501, Wing On Plaza, 62 Mody Road, Tsimshatsui, Kowloon, Hong Kong.
- (d) The company secretary of the Company is Mr. Lo Tai On, who is a member of the Hong Kong Institute of Certified Public Accountants.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://chinainvestments.tonghairr.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the EPC Agreement; and
- (b) this circular.

* *For identification purpose only*