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

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EAGLE RIDE INVESTMENT HOLDINGS LIMITED

鷹力投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 901)

**CONTINUING CONNECTED TRANSACTIONS
SUPPLEMENTAL AGREEMENT TO THE NEW INVESTMENT
MANAGEMENT AGREEMENT**

**Independent Financial Adviser
to the Independent Board Committee and the Shareholders**

寶
橋
BAOQIAO PARTNERS

A letter from the Board (as hereinafter defined) is set out on pages 4 to 17 of this circular. A letter from the Independent Board Committee (as hereinafter defined) to the Shareholders (as hereinafter defined) is set out on pages 18 to 19 of this circular and a letter from BaoQiao Partners (as hereinafter defined) is set out on pages 20 to 35 of this circular.

15 August 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Annual Cap(s)”	the annual maximum amount of the fees payable by the Company to Blue Star under the Supplemental Agreement for the period from Effective Date to 31 December 2019
“Announcements”	the announcements of the Company dated 5 July 2017 and 14 July 2017 in respect of the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Articles”	the articles of association of the Company, as amended from time to time
“associate”	the meaning ascribed to it under the Listing Rules
“AUM”	assets under management
“Blue Star” or “Investment Manager”	Blue Star Asset Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation registered under the SFO permitted to engage in Type 4 (advising on securities) and Type 9 (asset management) regulated activities within the meaning of the SFO
“Board”	the board of Directors
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“CAD\$”	Canadian dollars, the lawful currency of Canada
“Company”	Eagle Ride Investment Holdings Limited
“connected person(s)”	the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Day”	5 July 2017
“Financial Year”	the financial year of the Company, being the period of twelve months from 1 January to 31 December, or as otherwise determined by the Board

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IM Letter”	the letter dated 28 June 2017 received by the Company from the Investment Manager proposing: (a) a fixed management fee income of HK\$185,000 payable monthly; and (b) an annual performance fee of 20% on any net appreciation of the Net Asset Value under the hurdle rate of 15% and applicable high water marks on the specified performance date
“Independent Board Committee”	the independent board committee of the Company (comprising Mr. Gui Shengyue, Mr. Wang Xianzhang and Mr. Vichai Phaisalakani, being all the independent non-executive Directors) formed by the Company to advise the Shareholders as to whether the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole
“Independent Financial Adviser” or “BaoQiao Partners”	BaoQiao Partners Capital Limited, a licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Latest Practicable Date”	9 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Asset Value”	the value of all assets less all liabilities of the Company and its subsidiaries
“New Investment Management Agreement”	the investment management agreement dated 8 December 2016 entered into between the Company and the Investment Manager for a period from 1 January 2017 to 31 December 2019
“Percentage Ratio(s)”	the applicable percentage ratio(s) (other than the profits ratio and equity capital ratio) under Rule 14.07 of the Listing Rules

DEFINITIONS

“Performance Fee Valuation Date”	the last Business Day of each financial year of the Company, being 31 December of each year
“PRC”	the People’s Republic of China
“Renewal Date”	1 January 2017
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.0125 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	the meaning ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 5 July 2017 entered into between the Company and the Investment Manager to revise the remuneration payable to the Investment Manager and the Annual Caps under the New Investment Management Agreement
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Date”	the last dealing day of the Stock Exchange in each calendar month or such other dealing day as considered appropriate by the Board for the purpose of calculating the Net Asset Value
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



EAGLE RIDE INVESTMENT HOLDINGS LIMITED

鷹力投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 901)

Executive Directors:

Chan Yiu Pun, Clement

Non-executive Director:

Hu Haisong

Tung Shu Sun (*Chairman*)

Independent non-executive Directors:

Gui Shengyue

Wang Xianzhang

Vichai Phaisalakani

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place of business

in Hong Kong:

Room 2206, China Resources Building

26 Harbour Road

Wan Chai

Hong Kong

15 August 2017

To the Shareholders

Dear Sir/Madam,

**CONTINUING CONNECTED TRANSACTIONS
SUPPLEMENTAL AGREEMENT TO THE NEW INVESTMENT
MANAGEMENT AGREEMENT**

INTRODUCTION

Reference is made to the announcements of Eagle Ride Investment Holdings Limited (the “**Company**”) dated 5 July 2017 and 14 July 2014 in relation to the Company’s entering into the Supplemental Agreement with Blue Star to revise the remuneration payable to Blue Star and the Annual Caps thereunder the New Investment Management Agreement.

LETTER FROM THE BOARD

Blue Star, as the investment manager of the Company, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules, as such, the transaction contemplated by the Supplemental Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios, on an annual basis, are more than 25% but the proposed aggregate annual caps are less than HK\$10 million, the transaction contemplated under the Supplemental Agreement is subject to reporting, announcement, circular, shareholders' approval and annual review requirement under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, the Board is not aware that any Shareholder has a material interest in the Supplemental Agreement other than being a Shareholder. As such, no Shareholder would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the transaction.

To the best of the Directors' knowledge, information and belief, Eagle Ride Investments Limited or its associates have not entered or have no intention to enter into any business relationships, arrangements, plans or understandings with the Investment Manager or its associates which would give rise to the concern of whether Eagle Ride Investments Limited has a material interest in the New Investment Management Agreement and the Supplemental Agreement such that it is required to abstain from voting in a general meeting for the approval of the transaction.

Eagle Ride Investments Limited is currently holding an aggregate of approximately 53.59% of the issued share capital of the Company and Eagle Ride Investments Limited has issued a written shareholder's approval certificate to approve the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps). The Company has applied for a waiver from the strict compliance with general meeting requirement pursuant to Rule 14A.37 of the Listing Rules and a waiver was granted by the Stock Exchange and accordingly, no extraordinary general meeting will be convened by the Company to approve the Supplemental Agreement.

An Independent Board Committee of the Company comprising the independent non-executive Directors has been formed to advise the Shareholders as to whether the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the recommendations of the independent financial adviser. In this connection, an Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Shareholders in regard of the Supplemental Agreement.

LETTER FROM THE BOARD

As the Company requires additional time to collate and finalise certain financial information to be required in the circular under the Listing Rules, the Company has applied for a waiver from the strict compliance with Rule 14A.46(2) of the Listing Rules regarding the requirement to despatch the circular within 15 business days after publication of the Announcement dated 5 July 2017 and a waiver was granted by the Stock Exchange. A circular containing, among others, further details of the Supplemental Agreement, the advice of the Independent Financial Adviser to the Independent Board Committee and the Shareholders and the recommendation of the Independent Board Committee, will be despatched to the Shareholders as soon as practicable but no later than 15 August 2017.

The purpose of this circular is (i) to provide you with information or further details regarding the Supplemental Agreement which are to be constituted by the provision of investment management services by the Investment Manager to the Company and the transactions contemplated thereunder (including the Annual Caps); and (ii) to set out the advice of the Independent Board Committee to the Shareholders and the advice of BaoQiao Partners, being the Independent Financial Adviser, to the Independent Board Committee and the Shareholders in regards to the Supplemental Agreement and transactions contemplated thereunder (including the Annual Caps).

CONTINUING CONNECTED TRANSACTIONS – SUPPLEMENTAL AGREEMENT TO THE NEW INVESTMENT MANAGEMENT AGREEMENT

Background

Reference is made to the announcement of Eagle Ride Investment Holdings Limited (the “**Company**”) dated 8 December 2016 in relation to, among other matters, the Company’s entering into the New Investment Management Agreement with Blue Star to renew the appointment of Blue Star as the Company’s investment manager for the period from 1 January 2017 to 31 December 2019.

On 5 July 2017, the Company entered into the Supplemental Agreement with Blue Star to revise the remuneration payable to Blue Star and the Annual Caps thereunder the New Investment Management Agreement. The Supplemental Agreement shall be effective from the Effective Date.

Principal terms of the Supplemental Agreement

The principal terms of the Supplemental Agreement are summarised as below:

Duration:

From the Effective Date until 31 December 2019

LETTER FROM THE BOARD

Remuneration:

Under the Supplemental Agreement, the Investment Manager will be entitled to:

(a) *Management fee:*

A monthly management fee of HK\$185,000 shall be paid by the Company in arrears on or before the seventh Business Day of the month immediately following the month in which the monthly management fee is accrued.

(b) *Performance fee:*

An annual performance fee is calculated at the rate of 20% per annum (being “C”, as defined below) of any net appreciation in the Net Asset Value (being “A”, as defined below) at the relevant Performance Fee Valuation Date above 115% the High Watermark (being “B”, as defined below), and payable by the Company in Hong Kong dollars in arrears on or before the seventh Business Day of the month immediately following the date of issue of the audited account of the Group for the relevant year. For the avoidance of doubt, the Investment Manager shall be entitled to a performance fee if and only if “A” in the formula exceeds 115% of the High Watermark “B”. The formula is as follows:

$$(A - B \times 115\%) \times C$$

where:

“A” is the Net Asset Value, calculated on the relevant Performance Fee Valuation Date, after the deduction of the management fee, but before the deduction of the provision for the performance fee, if any, during the relevant period. For avoidance of doubt, in calculating the performance fee, only net appreciation in the Net Asset Value resulting from the performance of the Company’s investment portfolio managed by the Investment Manager will be included. Therefore, any net increase in the Net Asset Value as a result of any fund raising activities of the Company in the relevant year will be excluded in calculating the net appreciation in the Net Asset Value. The calculation of performance fee would exclude the net appreciation in the Net Asset Value resulting from the performance of the Company’s investment portfolio not managed by the Investment Manager.

LETTER FROM THE BOARD

“B” is a benchmark Net Asset Value (the “**High Watermark**”), which is the greater of: (i) if a performance fee has been paid, the previous highest Net Asset Value (after the deduction of all fees including management fee and performance fee paid in the relevant year) on any preceding Performance Fee Valuation Date in respect of which the Investment Manager was entitled to a performance fee; or (ii) if no performance fee has been paid, the Net Asset Value on the Renewal Date of the New Investment Management Agreement; or (iii) the value for “A” as at any preceding Performance Fee Valuation Date in relation to which a performance fee was calculated after deduction of all fees including management fee and performance fee paid in the relevant year and taking into account the result of any capital reorganisation activities of the Company in the relevant year. The calculation of High Watermark would only include the Company’s investment portfolio managed by the Investment Manager.

“C” is the rate of performance fee at 20% per annum or, such other percentage figure as agreed from time to time between the Board and the Investment Manager and (subject to any approval required under the Listing Rules).

Given the calculation of the performance fee excludes any net increase in the Net Asset Value as a result of any fund raising activities of the Company in the relevant year and takes into consideration the High Watermark, the Board considers such calculation basis it is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors have reviewed the proposal and the remuneration package adopted by the Investment companies as provided in the IM Letter and made a search on the market practice. Based on the public available information sourced from the website operated by the Stock Exchange, it is noted that the management fees charged by the respective investment managers are generally either (i) at pre-determined percentage(s) of the company’s net asset value; or (ii) at a fixed monetary value, while the performance/incentive fee are generally charged at predetermined percentage(s) either referenced by (i) the appreciation of the company’s net asset value; or (ii) the company’s net profit. In view of the above, the Directors considered that the fee structure as proposed in the IM Letter is generally in line with the market practice.

The Directors considers that the terms of the Supplemental Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, for the reasons that (i) the terms of the Supplemental Agreement were arrived at after arm’s length negotiation between the Company and the Investment Manager; and (ii) the structure and level of fees under the Supplemental Agreement are generally in line with market practice.

LETTER FROM THE BOARD

Annual Caps

The following table sets out the details the Annual Caps that applicable to the Supplemental Agreement for a period from the Effective Date to 31 December 2019:

	Management fee	Performance fee	Annual Caps
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
For the year ending 31 December 2017	1,110	447	1,557
For the year ending 31 December 2018	2,220	997	3,217
For the year ending 31 December 2019	2,220	1,296	3,516

The computation basis of the proposed Annual Caps is determined with reference to the following factors:

- (i) an approximate of 20% increase in the issued share capital of the Company in each of the Financial Year 2017, 2018 and 2019 as additional capital for investments; and
- (ii) an estimated annual growth of 15% – 30% of Net Asset Value in each of the Financial Year 2017, 2018 and 2019.

The Directors further consider that the investment return may be affected by a number of factors, such as the returns and volatilities of the financial markets and individual investment, and is therefore of the view that the performance of the Company's future Net Asset Value would be difficult to estimate and may vary significantly due to unexpected fluctuations of the financial markets.

After discussion with the Investment Manager, the basis of the estimated annual growth, which is purely adopted to calculate the performance fee, should take two factors into consideration, (1) hurdle rate at 15%; and (2) maximize expected highest return rate on investments. With the setting of hurdle rate at 15%, the Investment Manager could only enjoy performance fee when the return on investment exceeds such hurdle rate. On the other hands, given the volatilities of the financial markets and individual investment, a maximum rate should be set about the performance fee. Therefore, in order to protect the interest of the Company, the estimated annual growth purely adopted to calculate the performance fee is capped at 30%.

The estimated annual growth of 15% to 30% of Net Asset Value is merely assumed for the purpose of determination of the Annual Caps and it must not be taken as any indication as to future operation results and financial positions of the Company.

LETTER FROM THE BOARD

Reasons for and the benefits of entering into the Supplemental Agreement

In June 2017, the Investment Manager approached the Company and made a request to revise the remuneration payable to the Investment Manager under the New Investment Management Agreement due to the rise in carrying cost of the Investment Manager and a huge drop of monthly management income because the net assets value of the Company's investment portfolio has shrunk substantially. After several negotiation, the Company suggested that the Investment Manager should put details of its request, reasons, the market practice, the comparable, basis of work and analysis in writing for the Company's consideration. On 28 June 2017, the Company received a letter from the Investment Manager proposing: (a) a fixed management fee income of HK\$185,000 payable monthly; and (b) an annual performance fee of 20% on any net appreciation of the NAV under the hurdle rate of 15% and applicable high water marks on the specified performance date.

The Directors have reviewed the proposal and the remuneration package adopted by the investment companies as provided in the IM Letter and made a search on the market practice. Based on the public available information sourced from the website operated by the Stock Exchange, it is noted that the management fees charged by the respective investment managers are generally either (i) at pre-determined percentage(s) of the company's net asset value; or (ii) at a fixed monetary value, while the performance/incentive fee are generally charged at pre-determined percentage(s) either referenced by (i) the appreciation of the company's net asset value; or (ii) the company's net profit. In view of the above, the Directors considered that the fee structure as proposed in the IM Letter is generally in line with the market practice and on normal commercial terms and the proposal are fair and reasonable.

According to the 2014 Annual Report, the Company recorded an increase of approximately 6.06% in the fair value of the equity investments in unlisted securities. The net unrealised gain arising on revaluation of financial assets designated as held for trading was approximately HK\$15,684,000 and the net unrealized gain arising on revaluation of financial assets designated as at fair value through profit or loss was approximately HK\$5,763,000 at the end of the reporting period. During the financial year ended 31 December 2015, the Company made a net unrealised gain arising on revaluation of financial assets designated as held for trading of approximately HK\$5,351,000 and a net unrealised loss arising on revaluation of financial assets designated as at fair value through profit or loss of approximately HK\$23,995,000. For the financial year ended 31 December 2016, the Company recorded an unrealized loss arising on revaluation of financial assets designated as held for trading of approximately HK\$28,025,000 and net unrealized loss arising on revaluation of financial assets designated as at fair value through profit or loss of approximately HK\$5,457,000.

LETTER FROM THE BOARD

As disclosed in the 2016 Annual Report, the Net Asset Value of the Company experienced a sharp decline since 2015 due mainly to the (i) the decrease in valuation of an unlisted investment, namely Vaca Energy, LLC, a company principally engaged in crude oil and natural gas exploitation, development, production and operation, caused by the sustained low international crude oil prices in recent years; and (ii) the significant drop in share price of a listed investment, namely Tech Pro Technology Development Limited (“**Tech Pro**”), caused by an unusual selling pressure in July 2016 after the release of a short selling report from *Glaucus* Research Group on 28 July 2016 and the continuous fall in the shares of Tech Pro. The Directors are of the view that there were records of rise and fall in the assets value of the Company’s investment portfolio and the future performance of the Investment Manager may vary significantly due to unexpected fluctuations of the financial markets.

The Company has easy access to get the advice and services of Investment Manager on acquisitions or realisations of investments. The Investment Manager has monitored the performance of the investments of the Group closely and kept the Investment Committee and the Board fully updated. In view of the satisfactory performance of Blue Star, the Board has decided to revise the remuneration payable to Blue Star as the Investment Manager under the New Investment Management Agreement, after taking into consideration, including but without limitation, to the following factors:

- the Investment Manager’s possession of the required professional qualifications, expertise and experience in providing the investment management services;
- the Investment Manager’s ability to introduce new investment opportunities and potential investors to the Company and assist the Company in managing its assets to pursue the Company’s investment strategy;
- the satisfactory business relationship established between the Investment Manager and the Company;
- the terms and conditions of the Supplemental Agreement proposed to be entered into between the Company and the Investment Manager were negotiated on an arm’s length basis and are on normal commercial terms that are fair and reasonable; and
- the Annual Caps are fair and reasonable.

Having considered the above factors, the Board are of the view that the transactions contemplated under the Supplemental Agreement are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole to enter into the Supplemental Agreement.

LETTER FROM THE BOARD

The Company expects to raise funds by issuing 20% of new shares each year. The Company will turnaround from net liabilities to net assets immediately upon the completion of these placing exercises, and as a result, the Company and the Investment Manager will be in a better position to capture investment opportunities as and when such opportunities arise, with a view to generate better returns for the Company.

Regarding the Company's financial position, the most immediate critical issue that required the Company to deal with is turnaround the net liabilities to net assets, otherwise no further investments could be made. By means of issuing new shares, not only improving the financial position, but also allow the Company and the Investment Manager to capture investment opportunities.

Regarding the Company's historical investments, the value of those investments were declined sharply due to unexpected and uncontrollable events occurred. The sustained low international crude oil prices resulting a sharp decrease in valuation of an unlisted investment. An unusual selling pressure after the release of a short selling report resulting a significant drop in share price of a listed investment. Otherwise, the net liabilities would have not incurred.

Therefore, the Company will continue its adopted investment objective, i.e. (i) achieve short to medium term (i.e. less than one year to five years) and long term (i.e. more than five years) capital appreciation; and (ii) generate income from interests, dividends and realize the investments, by investing in listed and unlisted companies/business/entities established and/or conducting business in the United States of America, Hong Kong, the PRC, or any other countries.

Implications under the Listing Rules

The Investment Manager is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules. The provision of investment management services by the Investment Manager to the Company under the Supplemental Agreement therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable Percentage Ratios for the transaction contemplated under the Supplemental Agreement, on an annual basis, are more than 25% but the proposed aggregate Annual Caps are less than HK\$10 million, the transaction contemplated under the Supplemental Agreement is subject to reporting, announcement, circular, shareholders' approval and annual review requirement under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, the Board is not aware that any Shareholder has a material interest in the Supplemental Agreement other than being a Shareholder. As such, no Shareholder would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the transaction.

LETTER FROM THE BOARD

Eagle Ride Investments Limited is currently holding an aggregate of approximately 53.59% of the issued share capital of the Company and Eagle Ride Investments Limited has issued a written shareholder's approval certificate to approve the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps). The Company has applied for a waiver from the strict compliance with general meeting requirement pursuant to Rule 14A.37 of the Listing Rules and a waiver was granted by the Stock Exchange and accordingly, no extraordinary general meeting will be convened by the Company to approve the Supplemental Agreement.

Save as disclosed in this announcement, to the best knowledge, information and belief of the Directors, none of the Directors has a material interest in the entering into of the Supplemental Agreement and the transactions contemplated thereunder.

INFORMATION ON THE COMPANY

The Company is an investment company principally engaged in direct investments in listed and unlisted companies. The Company's investment objective is to (i) achieve short to medium term (i.e. less than one year to five years) and long term (i.e. more than five years) capital appreciation; and (ii) generate income from interests, dividends and realise the investments, by investing in listed and unlisted companies/business/entities established and/or conducting business in the United States of America, Hong Kong, the PRC, or any other countries. The Company's investment instruments will be made in the form of equity securities or equity-related securities or debt-related instruments in listed and unlisted companies engaged in, including but not limited to other industries, the oil sector. The investments will normally be made in enterprises which are established in their respective fields. The Company may also seek to identify investments where there is a certain degree of synergy with other investee entities.

INFORMATION ON THE INVESTMENT MANAGER

Blue Star was incorporated with limited liability in Hong Kong and has been licensed since August 2012 under the SFO. It is principally engaged in the business of the provision of asset management services and is a licensed corporation (CE No.: AZL510) permitted to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

- (A) The principal responsible officer (as defined by the SFO) of Blue Star is Ms. Lee Shuk Ying Nancy ("**Ms. Lee**") and her particulars are as follows:

Ms. Lee is one of the directors and one of the responsible officers of Blue Star. Ms. Lee has over 17 years of experience in advisory and asset management business. She began the career as an Investment Analyst, with Sceptre Investment Counsel Limited, one of the largest international fund house in Canada housing AUM of CAD\$9 billion in 1992.

LETTER FROM THE BOARD

She advanced as Fund Managers with well-recognized Wheelock NatWest Investment Management, Indocam Asset Management, Friends Ivory & Sime Asia. Her market coverage has been extensive including Asia, Hong Kong China and global equities. Consistent outperformance over benchmarks has been the norm.

She headed up the Taifook Asset Management's MPF team with the flagship MPF Hong Kong SAR Fund stationing at the top Lipper Ranking as the No. 1 Fund for the consecutive years of 2006 to 2008. Aggregate Taifook Group assets under management increased tenfold to US\$500 million at end of her tenure.

In 2014, as responsible officer for South China Asset Management Limited, Ms. Lee setup new fund in form of (SPC) Segregated Portfolio Company Cayman structure; provided advisory and discretionary management of investment model portfolios.

Ms. Lee is an MBA graduate of the University of Toronto, Canada. She is a licenced person for regulated activities for Type 4 (advising on securities) and Type 9 (asset management) under the SFO.

(B) Mr. Lung Qi Zhen (“**Mr. Lung**”) is one of the responsible officers of the Investment Manager and his particulars are as follows:

Since September 2008 to February 2013, Mr. Lung worked with China Financial Leasing Group Limited (code 2312), a Hong Kong-listed company whose business nature corresponds to Eagle Ride Investment Holdings Limited. Mr. Lung led an investment team of three to source, evaluate, carry out due diligence and to make recommendation to the senior management for direct investment projects. Industries coverage included financial, advertisement, technology, energy (convention and new) etc. Mr. Lung participated in the investment committee comprised of executive directors and investment managers and took part in the execution of the investment decisions; assisted in performance review and monitoring of the invested companies and the listed investment portfolio.

Since June 2013 till March 2015, Mr. Lung worked with Avia Asset Management, the investment manager of China Financial Leasing Group Limited with portfolio size about US\$10 million, and a fund of a Taiwan life insurance company with AUM about US\$200 million, and achieved positive returns mostly in both 2013 and 2014.

LETTER FROM THE BOARD

Decision making process

The Board shall retain overall control over the investment policy and all investment decisions of the Company shall be decided by the Board. Subject as aforesaid, the Investment Manager shall have the authority, power and right for and in the name of the Company to enter into, make and perform all contracts, agreements, investments and other undertakings pursuant to the investment agreements, provided that the Investment Manager shall have no power to arrange borrowings on behalf of the Company or to make investment and/or divestment decisions on behalf of the Company.

During the course of the Supplemental Agreement, the Investment Manager will comply with the following decision making process to identify and recommend potential investments/divestments to the Company, which include: (i) to establish investment/divestment philosophy in accordance with the Company's investment objectives; (ii) to make a final decision on major terms of the investments/divestments by investment committees of the Investment Manager; and (iii) to submit recommendations of the investments/divestments to the Company.

At the Company level, an investment committee consisting of four members, being one executive Director, Mr. Chan Yiu Pun, Clement, one non-executive Directors, namely, Mr. Hu Haisong, one independent non-executive Director, Mr. Wang Xianzhang and an independent consultant, Dr. Iraj Ershaghi, has been formed to formulate investment policies and review and determine the investment portfolio of the Group. The investment committee reviews the investment/divestment recommendations submitted by the Investment Manager and monitors whether the investment objective and policies and investment restrictions are followed by the Investment Manager. Decisions of the investment committee after considering recommendations from the Investment Manager shall then pass to the Board for approval.

After taking into account (i) Blue Star is a licensed corporation permitted to carry out the regulated activity of asset management under the SFO, the investment team of which also possesses the required professional qualifications, expertise and experience in providing the investment management services; (ii) the principal responsible officer of Blue Star, Ms. Lee, has been licensed with the SFC and obtained proven track record in providing investment management or advisory services to investment companies/professional/institutional investors; (iii) the asset types, geographical coverage and investment objectives of the fund prior managed by Ms. Lee are considered relevant to those of the Company; and (iv) the investment team of Blue Star is able to introduce new investment opportunities and potential customers to the Company by leveraging their industry experience and networks, the Board is of the view that Blue Star and its director have sufficient qualification and experience to be the Investment Manager.

LETTER FROM THE BOARD

The Company's internal control procedures

The Company has also adopted internal control procedures to handle potential conflicts of interest, which include: (i) any investment/divestment proposal or recommendation from the Investment Manager must be reviewed by the Company's investment committee and seek the Board's approval by majority of votes cast; (ii) each Director or member of the Company's investment committee is required to declare to the Board any interest in or interests likely to arise from potential investment opportunities before the entering into of any transaction by the Company and must abstain from voting in relevant board resolution; (iii) if potential conflicts of interest is aware, the independent non-executive Directors must participate in the relevant Board meetings and are required to assist the non-conflicted Directors in forming the investment decision; and (iv) where necessary, the Company shall seek independent professional advice to assist the Board in arriving at investment decisions.

The Investment Manager's internal control procedures

The Investment Manager has also adopted procedures to handle potential conflict of interests, which mainly include: (i) a responsible officer will be assigned for compliance checking to perform reviews of order allocation to ensure that all its prospective clients' orders should be allocated fairly on a first-come-first-serve basis; (ii) if the Company and other prospective clients of the Investment Manager will be interested in participating in the same investment and the available investment could be insufficient to satisfy these demands, the Investment Manager would allocate such investment to the Company and its other prospective clients on a pro-rata basis; (iii) the Investment Manager will have to disclose to the Board any potential investment opportunities and ensure that the Company is given fair opportunity to decide whether to participate in those investments or not, before entering into those investments on behalf of other prospective clients by the Investment Manager; (iv) when deciding the recommended subscription size of any investment for the Company and other prospective clients, the Investment Manager must consider factors, including but without limitation to, current weighting of assets, risk parameters, market outlook, constraints of investment exposure and the financial resources available; and (v) the Investment Manager shall ensure controls are in place to serve the Company and other prospective clients.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Board Committee to the Shareholders set out on pages 18 to 19 of this circular, the letter of advice from BaoQiao Partners to the Independent Board Committee and the Shareholders set out on pages 20 to 35 of this circular and the general information set out in the appendix to this circular.

Yours faithfully,

On behalf of the Board

EAGLE RIDE INVESTMENT HOLDINGS LIMITED

鷹力投資控股有限公司

Tung Shu Sun

Chairman

LETTER FROM INDEPENDENT BOARD COMMITTEE



EAGLE RIDE INVESTMENT HOLDINGS LIMITED

鷹力投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 901)

15 August 2017

To the Shareholders

Dear Sir/Madam,

**CONTINUING CONNECTED TRANSACTIONS
SUPPLEMENTAL AGREEMENT TO THE NEW INVESTMENT
MANAGEMENT AGREEMENT**

We refer to the circular (the “**Circular**”) issued by the Company to the Shareholders dated 15 August 2017 of which this letter forms part. Unless the context otherwise requires, terms and expressions defined in the Circular have the same meanings when used in this letter.

We have been appointed by the Board to advise the Shareholders as to whether the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, taking into account the recommendations of the Independent Financial Adviser. We wish to draw your attention to the letter from the Board and the letter from BaoQiao Partners as set out in the Circular. Having considered the principal factors and reasons, among others, set out in the sub-section headed “Reasons for and the benefits of entering into the Supplemental Agreement” in the letter from the Board on pages 10 to 12 of the Circular and the advice of BaoQiao Partners as set out in its letter of advice on pages 20 to 35 of the Circular, we consider that the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, and in the best interest of the Company and the Shareholders as a whole.

LETTER FROM INDEPENDENT BOARD COMMITTEE

We also consider that the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable so far as the Shareholders are concerned.

Yours faithfully,

For and on behalf of

Independent Board Committee

Mr. Vichai Phaisalakani

Mr. Gui Shengyue

Mr. Wang Xianzhang

Independent non-executive Directors

LETTER FROM BAOQIAO PARTNERS

The following is the text of the letter of advice from BaoQiao Partners Capital Limited, the Independent Financial Adviser, to the Independent Board Committee and the Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder (including the Annual Caps), which has been prepared for the purpose of inclusion in this circular.



BAOQIAO PARTNERS CAPITAL LIMITED

Unit 501, 5/F, Tower 1, Admiralty Centre,
18 Harcourt Road, Admiralty, Hong Kong

15 August 2017

*To the Independent Board Committee
and the Shareholders of
Eagle Ride Investment Holdings Limited*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS SUPPLEMENTAL AGREEMENT TO THE NEW INVESTMENT MANAGEMENT AGREEMENT

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Shareholders in respect of the continuing connected transactions pursuant to the Supplemental Agreement to the New Investment Management Agreement (“**Continuing Connected Transactions**”), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 15 August 2017 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

The Company is an investment company under Chapter 21 of the Listing Rules, with an aim to achieve short to medium term capital appreciation as well as generating income from interests and dividends by investing listed and unlisted business/entities and/or conducting business primarily in Hong Kong, the PRC, the United States of America or any other places as the Board may direct.

LETTER FROM BAOQIAO PARTNERS

On 8 December 2016, the Company entered into the New Investment Management Agreement with Blue Star to renew the appointment of Blue Star as the Company's Investment Manager for the period from 1 January 2017 to 31 December 2019. On 5 July 2017, the Company entered into the Supplemental Agreement with Blue Star, pursuant to which the parties have agreed to, *inter alia*, revise the provisions in relation to the remuneration payable to Blue Star under the New Investment Management Agreement. The Supplemental Agreement shall be effective from the Effective Date.

Blue Star, which has been the Investment Manager since 2014, is a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules, as such, the transactions contemplated under the New Investment Management Agreement (as amended and supplemented by the Supplemental Agreement) constitute Continuing Connected Transactions under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios in respect of the proposed Annual Caps under the Supplemental Agreement is more than 25%, the Continuing Connected Transactions constitute non-exempt continuing connected transactions of the Listing Rules and are subject to reporting, announcement, circular, shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As disclosed in the Letter from the Board, to the best of the Directors' knowledge, information and belief, the Directors is not aware that any Shareholder has a material interest in the New Investment Management Agreement (as amended and supplemented by the Supplemental Agreement) other than being a Shareholder. As such, no Shareholder would be required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Continuing Connected Transactions.

As disclosed in the Letter from the Board, to the best of the Directors' knowledge, information and belief, Eagle Ride Investments Limited or its associates have not entered or have no intention to enter into any business relationships, arrangements, plans or understandings with the Investment Manager or its associates which would give rise to the concern of whether Eagle Ride Investments Limited has a material interest in the New Investment Management Agreement and the Supplemental Agreement such that it is required to abstain from voting in a general meeting for the approval of the Continuing Connected Transactions.

Eagle Ride Investments Limited is currently holding an aggregate of approximately 53.59% of the issued share capital of the Company and Eagle Ride Investments Limited has issued a written shareholder's approval certificate to approve the Continuing Connected Transactions pertaining to the Supplemental Agreement and the proposed Annual Caps. The Company has applied for a waiver from the strict compliance with general meeting requirement pursuant to Rule 14A.37 of the Listing Rules and a waiver was granted by the Stock Exchange and accordingly, no extraordinary general meeting will be convened by the Company to approve the Continuing Connected Transactions.

LETTER FROM BAOQIAO PARTNERS

THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Gui Shengyue, Mr. Wang Xianzhang and Mr. Vichai Phaisalakani, has been established to advise the Shareholders as to whether the Continuing Connected Transactions and the proposed Annual Caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We, BaoQiao Partners Capital Limited, has been appointed as the Independent Financial Adviser to give an independent opinion to the Independent Board Committee and the Shareholders as to whether the Continuing Connected Transactions and the proposed Annual Caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Group or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees in connection with this appointment as the Independent Financial Adviser, no other arrangements exist whereby we had received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. As such, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and/or information provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all information and representations that have been provided by the Directors and the Management of the Company, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Management in the Circular were reasonably made after due enquiries and careful consideration.

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

LETTER FROM BAOQIAO PARTNERS

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the entering into the Supplemental Agreement and the transactions contemplated thereunder. We have not, however, for the purpose of this exercise, conducted any independent detailed investigation or audit into the business or affairs or future prospects of the Group. Our opinion is necessarily based on financial, economic, market and other conditions in effect, and the information made available to us, at the Latest Practicable Date.

This letter is issued for the information for the Independent Board Committee and the Shareholders as to whether the Continuing Connected Transactions and the proposed Annual Caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and this letter, except for its inclusion in the Circular and for inspection as required under the Listing Rules, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to advise the Independent Board Committee and the Shareholders, we have taken into consideration the following principal factors and reasons:

I. Background Information

As abovementioned, the Company entered into the New Investment Management Agreement with Blue Star on 8 December 2016 to renew the appointment of Blue Star as the Investment Manager for the provision of investment management services during the period from 1 January 2017 to 31 December 2019.

As disclosed in the Letter from the Board, in June 2017, the Investment Manager had made a request to the Company to revise the remuneration package under the New Investment Management Agreement due to (i) the rise of the carrying costs of the Investment Manager and; (ii) the substantial decrease in monthly management income received by the Investment Manager due to the diminishing/negative return of the Company's investment portfolio in recent months.

On 28 June 2017, the Investment Manager put forward the IM Letter (a revised remuneration package proposal), pursuant to which, the management fee income will be fixed at HK\$185,000 per month and the annual performance fee will be reference to 20% on net appreciation of NAV under the hurdle rate of 15% and applicable high watermark on the specified performance date.

On 5 July 2017, the Company and the Investment Manager entered into the Supplemental Agreement to adopt the proposed fee structure in the IM Letter.

LETTER FROM BAOQIAO PARTNERS

For more details about the Supplemental Agreement, please refer to the section headed “Principal terms of the Supplemental Agreement” in the Letter from the Board.

II. Reasons for entering into the Supplemental Agreement

It is stated in the Letter from the Board that the Directors have reviewed the IM Letter and made a search on the market practice regarding the remuneration package adopted by the investment companies. The Directors further noted that the proposed fee structure in the IM Letter is comparable with market practice, which the management fees charged by the respective investment managers are generally either (i) at pre-determined percentage(s) of the company’s NAV; or (ii) at fixed monetary value, while the performance/incentive fees are generally charged at predetermined percentage(s) either referenced by (i) the appreciation of the company’s NAV; or (ii) the company’s net profit. The Directors are of the view that the proposed fee structure in the IM Letter is fair and reasonable.

As disclosed in the annual reports of the Company for the year ended 31 December 2016 (“**2016 Annual Report**”), the NAV of the Company experienced a sharp decline since 2015 (i.e. from NAV per share of HK\$0.07 as at 31 December 2014 to HK\$0.03 and HK\$0.0002 as at 31 December 2015 and 2016 respectively), due mainly to the (i) the decrease in valuation of an unlisted investment, namely Vaca Energy, LLC, a company principally engaged in crude oil and natural gas exploitation, development, production and operation, caused by the sustained low international crude oil prices in recent years; and (ii) the significant drop in share price of a listed investment, namely Tech Pro Technology Development Limited (“**Tech Pro**”), caused by an unusual selling pressure in July 2016 after the release of a short selling report from Glaucus Research Group on 28 July 2016. The Company reported net liabilities since March 2017 and as at 30 June 2017, the unaudited net liabilities value per share was approximately HK\$0.015, mainly due to the continuous fall on the share price of Tech Pro.

As a result, there was a huge drop in the monthly management income received by the Investment Manager, which is calculated based on an annualized 2% on the NAV as at each Valuation Date under the New Investment Management Agreement.

Notwithstanding the historical performance of the Company’s investment, we note from the Company’s 2016 Annual Report that the Company’s listed equity investments are classified as current assets, while the unlisted equity and debt investments are classified as non-current assets. This is in consistent with the investment objectives of the Company to achieve short to medium term (i.e. less than one year to five years) and long term (i.e. more than five years) capital appreciation as well as generate income from interests, dividends and realise the investments by investing in listed and unlisted companies. In addition, we have reviewed the investment management agreements entered into between the Company and Blue Star since 2014 and discussed with the Management in regard to such investment management agreements. Unlike an investment fund which is normally managed by its fund manager on a discretionary basis, we understand that an investment manager of Chapter 21 companies typically does not have such

LETTER FROM BAOQIAO PARTNERS

discretionary power over the investments of Chapter 21 companies. We note from the investment management agreements entered into between the Company and Blue Star since 2014 that the Board shall have discretion over the assets of the Group and all investment decisions of the Company shall be decided by the Board. Despite the Board has taken into account into the historical performance of the Company's investments contributed by the Investment Manager, based on our review of the scope of Investment Manager and our discussions with the Management, our understanding is that the responsibility of making the Company's investment decisions ultimately rests on the Board rather than the Investment Manager.

In addition, based on our review of the internal investment procedures of the Company, the Investment Manager's roles and responsibilities include (i) evaluate deals by pre-selecting potential investments and performing preliminary scan and research before forming its recommendations; (ii) assist the Company in the negotiation as well as to liaise with other professional advisors in regard to the investment structure of potential deals; (iii) perform due diligence check and compose an investment proposal, which includes detail information and analysis, on potential target which will then be presented to the Board for their approval prior to entering into such transaction; and (iv) conduct periodic performance review, which includes an evaluation on the overall performance and prospect, on every investment in the Company's investment portfolio and present to the Board along with its recommendations for the Board's decision on whether to continue to hold or disinvest in such investments; and (v) continuously and closely monitor the performance of the investments in the Company's investment portfolio and inform the Company in a timely matter in the event of any sudden/adverse changes, along with its recommendations for the Board's decision on retaining or divesting its holdings in such investments.

We have also reviewed and studied the materials provided by the Company in relation to the above-mentioned proposal(s), report(s) and correspondence(s) between the Company and the Investment Manager and we note that the findings are in line with the Company internal investment procedures and the Investment Manager does not have discretionary power over the Company's investments. In addition, as discussed with the Management, the Directors are of the view that there were records of rise and fall in the assets value of the Company's investment portfolio and the past performance may not be indicative of future results.

On the above basis, since the past performance of the Company is not solely attributable to the Investment Manager and relied on the experience and expertise of the Board in making such investment decisions, the Directors considered that the unsatisfactory historical performance of the Company's investments in the past two years as discussed above is not directly relevant, in assessing whether or not to entering into the Supplemental Agreement.

LETTER FROM BAOQIAO PARTNERS

As disclosed in the Letter from the Board, the Investment Manager has been appointed to act as the investment manager of the Company since 2014. The Directors, having further considered (i) the Investment Manager's professional qualifications, expertise and experience; (ii) its ability to introduce new investment opportunities and potential investors to the Company and assist the Company in managing its assets to pursue the Company's investment strategies; and (iii) the close working relationship developed with the Company's management over the years and the prompt actions and advices from the Investment Manager from time to time, are of the view that the entering into the Supplemental Agreement were negotiated on an arm's length basis and the Continuing Connected Transactions are in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

For details about the qualifications and experience of the Investment Manager, please refer to the section headed "Information on the Investment Manager" in the Letter from the Board.

III. Basis of determination

Pursuant to the Supplemental Agreement, the total fees payable to the Investment Manager comprise:

(i) Management fee

A monthly management fee of HK\$185,000 shall be paid by the Company in arrears on or before the seventh Business Day of the month immediately following the month in which the monthly management fee is accrued.

(ii) Performance fee

The performance fee is calculated based on 20% of the amount by which the NAV as at the relevant Performance Fee Valuation Date (i.e. 31 December in the year) exceeds 115% of the High Watermark (defined below).

The High Watermark is a benchmark NAV, which is the greater of: (i) if a performance fee has been paid, the previous highest NAV (after the deduction of all fees including management fee and performance fee paid in the relevant year) on any preceding Performance Fee Valuation Date in respect of which the Investment Manager was entitled to a performance fee; or (ii) if no performance fee has been paid, the NAV on the Renewal Date of the New Investment Management Agreement; or (iii) the NAV (after the deduction of the management fee, but before the deduction of the provision for the performance fee, if any, during the relevant period) as at any preceding Performance Fee Valuation Date in relation to which a performance fee was calculated after deduction of all fees including management fee and performance fee paid in the relevant year and taking into account the result of any capital reorganisation activities of the Company in the relevant year.

LETTER FROM BAOQIAO PARTNERS

The NAV, calculated on the relevant Performance Fee Valuation Date, after the deduction of the management fee, but before the deduction of the provision for the performance fee, if any, during the relevant period. For avoidance of doubt, in calculating the performance fee, only net appreciation in the NAV resulting from the performance of the Company's investment portfolio managed by the Investment Manager will be included. Therefore, any net increase in the NAV as a result of any fund raising activities of the Company in the relevant year will be excluded in calculating the net appreciation in the NAV. The calculation of performance fee would exclude the net appreciation in the NAV resulting from the performance of the Company's investment portfolio not managed by the Investment Manager.

In assessing the fairness and reasonableness of the level of fees under the Supplemental Agreement, we have conducted a research of the remuneration packages adopted by investment companies that are listed on the Stock Exchange under Chapter 21 of the Listing Rules (the "**Comparables**"). It is noted that the Comparables may not be able to represent a direct comparison to the Company due to the difference in assets size, financial performance, investment objectives and portfolio, operation and prospects of the investment companies. However, in the ever-changing environment of the capital market, the Comparables are considered to be able to reflect the current market condition and to serve as a general reference and benchmark to assess the reasonableness of the management fee and performance fee under the Supplemental Agreement. Based on our best endeavour and as far as we are aware, we have identified a list of 17 Comparables.

Details of the Comparable are extracted from the information disclosed in the relevant announcements and/or circulars are summarized as below:

Date of agreement	Company	Stock code	Management fee	Performance/Incentive fee
11 February 2014	China Investment Development Limited	204	HK\$720,000 per annum	N/A
9 May 2014	National Investments Fund Limited	1227	HK\$1,200,000 per annum	N/A
29 August 2014	China Development Bank International Investment Limited	1062	HK\$350,000 per annum	N/A
15 May 2015	China Innovation Investment Limited	1217	The first portion is fixed portion, the company pays China Everbright HK\$480,000 per annum; the second portion is variable portion, the company pays China Everbright HK\$480,000 per annum and was liable only when the audited profit before tax of each financial year of the company reaches HK\$480,000 and payable within one month after the publication of the company's final audited results for the year	N/A
3 June 2015	China Internet Investment Finance Holdings Ltd.	810	HK\$50,000 per month	N/A

LETTER FROM BAOQIAO PARTNERS

Date of agreement	Company	Stock code	Management fee	Performance/Incentive fee
15 October 2015	China Merchants China Direct Investments Limited	133	The aggregate of: <ul style="list-style-type: none"> (a) on the invested portion of the assets of the group represented by unlisted securities or interests: 2.25% of the book value (net of taxes); (b) on the invested portion of the assets of the group represented by securities listed on a recognised stock exchange: <ul style="list-style-type: none"> (i) during the lockup period following listing: 2.25% of the book value (net of taxes); (ii) for the one year after the lockup period lapses: 1.75% of the book value (net of taxes); (iii) thereafter: 1.50% of the book value (net of taxes); and (iv) in respect of listed securities purchased from the secondary market: 1.50% of the book value (net of taxes); and (c) on the un-invested portion of the assets of the group: 0.75% of the book value. 	8% of the amount by which the NAV as at the end of the relevant financial year (as adjusted) exceeds the high watermark
20 November 2015	SHK Hong Kong Industries Ltd.	666	0.375% of the gross NAV for each quarter, calculated as the arithmetical average of the published gross NAV on the last day of each calendar month during each relevant quarter, and payable quarterly in arrears	20% of the amount by which the audited NAV of each year ended 31st December exceeds the high watermark as at the relevant financial year, and payable annually in arrears
24 November 2015	Prosperity Investment Holdings Limited	310	HK\$600,000 per month	If any and at such amount as the board may at its discretion determine, provided that no such bonus shall be payable unless the adjusted NAV as at the end of each financial year exceeds the higher of: <ul style="list-style-type: none"> (i) the NAV for the year ending 31 December 2015; and (ii) the adjusted NAV of the most recent financial year after year 2015, representing the high watermark, for which the investment manager is paid a discretionary bonus. <p>The amount of such bonus shall not in any event exceed 5% of such excess.</p>
26 January 2016	UBA Investments Ltd.	768	1.5% per annum of the NAV of the company as at the immediately preceding valuation date	20% of the net profit of the company before taxation and before deduction of the management fee payable
29 February 2016	Huge China Holdings Ltd.	428	0.5% per annum on the NAV as per the management account of the company in the preceding month and payable by the company monthly in advance	N/A
3 March 2016	OP Financial Investments Ltd.	1140	1.5% per annum of the NAV as at the immediately preceding valuation date	10% of the appreciation in the NAV per share calculated as at the relevant performance fee valuation date over the base NAV per share, subject to a high watermark provision
12 May 2016	Earnest Investments Holdings Limited	339	HK\$60,000 per month	N/A
30 December 2016	China New Economy Fund Limited	80	HK\$960,000 per annum	N/A

LETTER FROM BAOQIAO PARTNERS

Date of agreement	Company	Stock code	Management fee	Performance/Incentive fee
23 March 2017	Shanghai International Shanghai Growth Investment Ltd.	770	0.5% per quarter (equivalent to 2.0% per annum) of the NAV calculated before deduction of the fees payable to the investment manager and the company's investment adviser and custodian for that quarter	20% of the amount by which the NAV as at 31 December in the calculation year exceeds the high watermark
26 April 2017	China Financial International Investments Ltd.	721	0.75% per annum of the aggregate market value of the portfolio on the last business day of each calendar month	N/A
26 May 2017	DT Capital Ltd.	356	1.5% per annum of the gross NAV, calculated as the arithmetical average of the published gross NAV on the last day of each calendar month during each relevant year	15% on the amount of audited consolidated NAV of the company (calculated as at the end of each respective financial year) exceeding the high watermark as at the relevant financial year, subject to adjustments by disregarding the effects of any new issue of securities or distribution on the gross NAV
4 July 2017	China Investment Fund International Holdings Limited	612	HK\$2,640,000 per annum; and the company reimburses Fundamental Dynamics (HK) Limited for all its expenses incurred in relation to the performance of its duties up to a maximum amount of HK\$200,000 per annum	N/A
5 July 2017	The Company	901	HK\$185,000 per month	20% per annum of any net appreciation in the NAV at the relevant performance fee valuation date above 115% of the high watermark

In respect of the 17 Comparables listed above, we note that there are (i) 8 Comparables that only has a fixed management fee with no performance/incentive fee; (ii) 2 Comparables that only has a management fee charged at a certain percentage of the NAV with no performance/incentive fee; (iii) 1 Comparable that has a fixed management fee and a performance fee subject to high watermark mechanism; (iv) 5 Comparables that has a management fee charged at a certain percentage of the NAV and a performance fee subject to high watermark mechanism; and (v) 1 Comparables that has a management fee charged at a certain percentage of the NAV and a performance fee based on annual net profit. As a result, it shows that there are different structures and criteria to the remuneration package in terms of the management fee and performance/incentive fee charged by the investment managers of the Comparables, and each investment fund can have a unique structure of the remuneration package to serve its own purpose. According to the Comparables listed above, we note that there is 1 Comparable that has a similar remuneration structure as to the Supplemental Agreement which has a fixed management fee and a performance fee subject to high watermark mechanism.

LETTER FROM BAOQIAO PARTNERS

Management fee

As discussed with the Management, there has been a substantial decrease in management fee income received by the Investment Manager under the New Investment Management Agreement given the relatively small scale of the Company's investment portfolio, in terms of the NAV, and the net liabilities position of the Company since March 2017. We note that, based on the information provided by the Company, the management fee paid by the Company to the Investment Manager under the New Investment Management Agreement for the period from 1 January 2017 to 30 June 2017 amounted to approximately HK\$177,000 as compared to approximately HK\$794,500 for the corresponding period last year.

We understand from the Management that the management fee is typically charged by the Investment Manager for the purpose of maintaining its operations, such as staff cost and administration cost arising from managing the Company's investments, and despite of the scale, in terms of NAV, of the current investment portfolio of the Company, the Investment Manager would still incur a certain level of operating expenses in performing its duty under the New Investment Management Agreement.

The Directors are aware of the current situation, especially the current net liabilities position of the Company, and are of the view that the structure of the management fee shall be flexible and adaptive to the Company's operations from time to time. The Directors consider that a fixed management fee structure and a monthly fee of HK\$185,000 under the Supplemental Agreement or the proposed Annual Caps of HK\$1.1 million for 2017 and HK\$2.2 million for each of the year 2018 and 2019, which is reference to the management fees paid to the Investment Manager of approximately HK\$1.15 million and HK\$2.28 million for the years ended 31 December 2015 and 31 December 2016 respectively and the expected growth in NAVs for the three years ending 31 December 2019 based on the assumptions as set out under section headed "Annual Caps" below, is fair and reasonable for the Investment Manager to maintain its operation and continue to carry on its duties under the New Investment Management Agreement.

We have reviewed and compared the fixed fee arrangement with the Comparables. According to the table above, we note that the management fees of the Comparables are generally charged by (i) a fixed fee (9 Comparables); or (ii) a certain percentage of the NAV (8 Comparables). Among the 9 Comparables which charge a fixed fee as management fee, the management fees range from a minimum of approximately HK\$350,000 per annum or HK\$29,167 per month to a maximum of approximately HK\$7,200,000 per annum or HK\$600,000 per month with an average of approximately HK\$1,652,222 per annum or HK\$137,685 per month. We note that the revised management fee structure in the Supplemental Agreement is common among

LETTER FROM BAOQIAO PARTNERS

the population and the fixed management fee of HK\$185,000 per month payable by the Company to Blue Star is within the range and above the average of the management fee charged by the Comparables.

Given the above, we are of the view that a fixed fee arrangement is in line with the market practice and is necessary to justify a reasonable absolute amount of fees to sustain the Investment Manager's operation.

Performance fee

From the aforesaid comparables analysis, 6 out of 17 Comparables adopt high watermark mechanism in calculating the performance/incentive fee. We also note that the high watermark mechanisms adopted by the Comparables are generally based on a percentage of increment in NAV, adjusted for capital changes by comparing with the higher of the NAV of a reference year or the most recent financial year for which a performance fee is paid. The terms under the Supplemental Agreement therefore closely resemble the mechanism adopted by the Comparables. The rates of performance/incentive fee among the Comparables generally range from 5% to 20% of increase in the NAV. Although the proposed 20% performance fee under the Supplemental Agreement is at the high end of the Comparables, the Company has applied a hurdle rate of 15% for the calculation of performance fees under the Supplemental Agreement and we are of the view that such performance fee is an arrangement which serves to motivate the Investment Manager for better performance. This is especially the case in respect of the Supplemental Agreement where performance fees are payable only if an annual hurdle rate of 15% is achieved by the Investment Manager.

In light of the above and the relatively small assets size and available capital for deployment to generate returns for the Company, we concur with the Management that the relatively higher rate of 20% adopted by the Company is justifiable to provide an effective incentive for the Investment Manager to generate better returns for the Company.

Taking into account that (i) there is one Comparable that has a similar remuneration structure (i.e. fixed management fee and a performance fee subject to high watermark mechanism) as to the Supplemental Agreement, and that the remuneration structure adopted under the Supplemental Agreement is not unusual in the market; (ii) the performance fee serves as an incentive for the Investment Manager to generate better returns for the Company; (iii) the fixed management fee and performance fee arrangements under the Supplemental Agreement are in line with the market practice and fall within the ranges of the Comparables; (iv) the reasons for entering into the Supplemental Agreement; and (v) the Supplemental Agreement is arrived after arm's length negotiation between the Company and Blue Star, we concur with the Directors that the Supplemental Agreement is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM BAOQIAO PARTNERS

IV. Annual Caps

The following table sets out the details of the Annual Caps that is applicable to the Supplemental Agreement for a period from the Effective Date to 31 December 2019:

	For the year ending 31 December 2017 <i>HK\$'000</i>	For the year ending 31 December 2018 <i>HK\$'000</i>	For the year ending 31 December 2019 <i>HK\$'000</i>
Annual Caps:			
Management fee	1,110	2,220	2,220
Performance fee	<u>447</u>	<u>997</u>	<u>1,296</u>
Total	<u>1,557</u>	<u>3,217</u>	<u>3,516</u>

As stated in the Letter from the Board, the basis of the Annual Caps is determined with reference to the following factors:

- (i) an approximate of 20% increase in the issued share capital of the Company in each of the Financial Years 2017, 2018 and 2019 as additional capital for investments; and
- (ii) an estimated annual growth rate of 15% to 30% of NAV in each of the Financial Years 2017, 2018 and 2019.

The Directors further consider that the investment return may be affected by a number of factors, such as the returns and volatilities of the financial markets and individual investment, and are therefore of the view that the performance of the Company's future NAV would be difficult to estimate and may vary significantly due to unexpected fluctuations of the financial markets.

LETTER FROM BAOQIAO PARTNERS

We have reviewed the utilisation percentage of the actual total management fee and performance fee to the relevant approved annual cap for the period from 3 March 2014 to 31 December 2016 and 1 January 2017 to 30 June 2017 (the “**Previous Caps**”), the findings are illustrated as follow:

	For the period from 3 March 2014 to 31 December 2014 <i>HK\$'000</i>	For the year ended 31 December 2015 <i>HK\$'000</i>	For the year ended 31 December 2016 <i>HK\$'000</i>	For the period from 1 January 2017 to 30 June 2017 <i>HK\$'000</i> <i>(Note)</i>
Annual Caps:				
Management fee	2,900	5,900	9,200	515
Performance fee	1,900	4,800	8,400	453
Total	4,800	10,700	17,600	968
Utilisation:				
Management fee	1,233	2,279	1,154	177
Performance fee	-	-	-	-

Note: The annual cap covers the period from 1 January 2017 to 31 December 2017 under the New Investment Management Agreement.

The Management explained that the relatively low utilisation of the Previous Caps was mainly attributable to the decrease in the overall management fee in the respective periods. The Previous Caps as per the previous investment management agreement as well as the New Investment Management Agreement were estimated based on the assumption that the NAV would continue to grow during the previous periods. As explained above, the reducing investment portfolio size and the Company’s NAV in the above periods led to the huge drop in the management fee income received by the Investment Manager. We are of the view that such fluctuation is subject to the financial market condition during the corresponding financial year as the performance of the NAV is subject to the Group’s investment business, the sentiment of the financial market, and the capital fund raising market condition. Neither the Company nor the Investment Manager can absolutely and accurately estimate the amount of fees to be payable under the New Investment Management Agreement in any given year as such fees would depend on the Company’s NAV as at the relevant valuation dates.

Under the Supplemental Agreement, a fixed management fee is adopted and the calculation of the proposed Annual Caps for the management fee is based on the agreed fixed fee in which we do not expect there to be a huge gap between the proposed Annual Caps and the actual utilisation of the management fee.

LETTER FROM BAOQIAO PARTNERS

As discussed with the Management, the Company expects to raise fund by issuing 20% of new Shares each year. The Company completed the placement of 118,000,000 new Shares under general mandate in November 2016, raising a net proceed of approximately HK\$29 million. In addition, as disclosed in the announcement of the Company dated 7 July 2017, the Company has conditionally appointed a placing agent to procure, on a best effort basis, independent places to subscribe for a maximum of 323,600,000 new Shares at a price of HK\$0.25 per Placing Share (the “**Placing**”). Completion of the Placing took place on 3 August 2017 in which an aggregate of 185,500,000 Placing Shares, representing approximately 10.29% of the existing issued share capital of the Company as at the date of this Circular, have been placed at the price of HK\$0.25 per Placing Share and the net proceeds from the Placing amounted to approximately HK\$45.4 million (after deduction of placing commission and other related expenses payable by the Company). Immediately upon completion of the Placing, the Company has turnaround from net liabilities to net assets as advised by the Management. The Management believes that both the Company and the Investment Manager will be in a better position to capture investment opportunities as and when such opportunities arise, with a view to generate better returns for the Company.

In connection with the estimated annual growth of 15% to 30%, we have discussed with the Management about the assumptions made in regard to the projected growth rate in which the Management has taken into consideration of the investment portfolio of the Company which currently consist of investments in (i) listed securities in Hong Kong; and (ii) unlisted companies overseas. We have studied the (i) the Hang Seng Index of Hong Kong (the “**HSI**”); and (ii) the MSCI ACWI Investable Market Index (the “**MSCI Index**”) (website: <https://www.msci.com/>), an index which captures large, mid and small cap representation across 23 developed markets and 24 emerging markets countries, and considered it to be an appropriate reference and benchmark for the Company’s current investment portfolio.

In addition to the expected increase in capital base of the Company by issuance of new Shares, the Management estimates that the Company’s investment will achieve a target return of approximately 15% per annum in the coming years. In this respect, we had referred to the five years performance of MSCI Index which concluded that the five-year annualized gross return for the MSCI Index as at 30 June 2017 is approximately 11.33%. In addition, considering the Company’s listed investment portfolio mainly focuses on the listed securities in Hong Kong, we have also reviewed the year-on-year index performance of the HSI, the comprehensive benchmark of the performance of the stocks listed on the Stock Exchange from 2006 to 2016 and up to the 2nd quarter of 2017 (the “**HSI Review Period**”). During the HSI Review Period, we note that the annual increase of HSI recorded an increase of higher than 15% (i.e. in a range from approximately 22.91% to 52.02%) for 4 years and the HSI reported approximately 17.11% gain during the first half of 2017. As such, we are of the view that the Company’s target return of approximately 15% per annum is practical and reasonable given such performance is not unlikely to achieve in the market based on historical figures.

LETTER FROM BAOQIAO PARTNERS

In addition, the adoption of a range from 15% to 30% is to accommodate the market volatility of the financial markets, it is reasonable to include the aforementioned buffer so as to mitigate the chance of the proposed Annual Caps being too small to cover the future transaction amounts under the Supplemental Agreement. As reference to the historical volatility of HSI for the last 5 years, the change in value of the HSI ranged from a loss of approximately 7.16% in 2015 to a gain of approximately 22.91% in 2012, which clearly demonstrates that the financial markets can fluctuate significantly from one year to another. We are therefore of the view that it is reasonable to adopt a buffer of approximately 13.04%, representing the growth from 15% to 30%. In the event that the proposed Annual Caps are indeed insufficient to cover the future transactions amount, the Company will have to comply with the relevant provision under Chapter 14A of the Listing Rules, including without limitation making further announcement, obtaining further approval from the Shareholders which will result in additional administrative costs to be borne by the Company.

However, Shareholders must be reminded that the above estimated annual growth of 15% to 30% of NAV is merely assumed for the purpose of determination of the Annual Caps, it must not be taken as any indication as to future operation results and financial positions of the Company.

RECOMMENDATION

Having taken into consideration the above principal factors and reasons, we are of the view that the terms of the Supplemental Agreement and the Continuing Connected Transactions (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and is on normal commercial terms and in the ordinary and usual course of business of the Group.

Yours faithfully,
BaoQiao Partners Capital Limited

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. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

Interests and short positions of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company and their respective associates 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) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) are required to be entered into the register pursuant to section 352 of the SFO; or (c) are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”), were as follows:

Long positions

Name of Director	Capacity	Number of Shares held	Interests under equity derivatives	Total interests in Shares	Approximate percentage of the total issued share capital of the Company
Hu Haisong (<i>Note 1</i>)	Interest of corporation	966,638,573	Nil	966,638,573	53.59

Note:

- 1) 966,638,573 shares are held through Eagle Ride Investments Limited (“**Eagle Ride Investments**”). Eagle Ride Investments is an investment holding company, a wholly-owned subsidiary of APAC Investment Holdings Limited, which is beneficially owned as to approximately 94.19% interests by Mr. Hu Haisong and approximately 5.81% by other investors.

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

3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS

As at the Latest Practicable Date, so far as the Directors are aware, the following persons (other than the Directors of the Company) had interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance (“SFO”):

Name	Capacity	Nature of interests	Number of issued shares held	Approximate percentage of the total issued share capital of the Company
Eagle Ride Investments Limited*	Beneficial owner	Corporate	966,638,573	53.59

* Eagle Ride Investments Limited, a company incorporated in the British Virgin Islands with limited liability, wholly-owned by APAC Investment Holdings Limited (“APAC”), a company incorporated in Samoa and beneficially owned as to approximately 94.19% by Mr. Hu Haisong (“Mr. Hu”), the Non-executive Director of the Company, and approximately 5.81% by the Investors (“Investors”) (whose interests are held on trust by Mr. Hu). The investors, namely (i) Mr. Wang Haibin, a resident of the People’s Republic of China (the “PRC”) and engages in investment business in the PRC; and (ii) RB International Investments Asia Limited is principally engaged in financial services.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, the Company had not been notified by any other person (other than the Directors of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

4. DIRECTORS' INTERESTS IN ASSETS/ CONTRACTS OR ARRANGEMENTS

- (a) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired or disposed of by or leased to the Group since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up.
- (b) Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by the Company since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up, and which was significant in relation to the business of the Company.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective associates were considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, other than those businesses to which the Directors were nominated and appointed as directors and/or senior management to represent the interests of the Company and/or the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company which are not expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially and adversely affect the operations of the Group and no litigation or arbitration or claims which would materially and adversely affect the operations of the Group is known to the Directors to be pending or threatened either by or against any member of the Group.

8. 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 2016, being the date to which the latest published audited financial statements of the Company were made up.

9. EXPERT AND CONSENT

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

Name	Qualification
BaoQiao Partners	A licensed corporation to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

BaoQiao Partners has given and not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, advice and/or opinion and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, BaoQiao Partners did not have any beneficial interest in the share capital of any member of the Group or did not had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any Shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group and did not had any interest, either direct or indirect, in any assets which have been, since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

1. The Company Secretary of the Company is Mr. Au Shiu Kee. Mr. Au is an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.
2. The Company's branch share registrar in Hong Kong is Computershare Hong Kong Investor Services Limited of Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
3. In case of any discrepancy, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's office in Hong Kong at Room 2206, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong during normal business hours from 10:00 a.m. to 5:00 p.m. on any Business Day for a period of 14 days from the date of this circular:

- (a) this circular;
- (b) the memorandum of association of the Company and the Articles;
- (c) the Supplemental Agreement;
- (d) the New Investment Management Agreement;
- (e) the letter from the Independent Board Committee to the Shareholders, the text of which is set out on pages 18 to 19 of this circular;
- (f) the letter of advice from BaoQiao Partners to the Independent Board Committee and the Shareholders, the text of which is set out on pages 20 to 35 of this circular; and
- (g) the written consent referred to in the paragraph headed "Expert and consent" in this appendix.