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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 and the accompanying form of proxy to the purchaser or the transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Placing agents



昊天國際證券有限公司
Hao Tian International Securities Limited
昊天發展集團成員(474.HK)



首控證券
FIRST CAPITAL SECURITIES LIMITED
First Capital Securities Limited



Fulixin Securities Limited



金裕富證券有限公司
GOLDEN RICH SECURITIES LIMITED
Golden Rich Securities Limited

A notice convening the Extraordinary General Meeting of Eagle Ride Investment Holdings Limited 鷹力投資控股有限公司 to be held at Room 2206, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on 31 May 2018, at 11:30 a.m. (or so soon thereafter as the annual general meeting convened to be held at 11:00 a.m. on the same day at the same place shall have been concluded or adjourned) is set out on pages 32 to 34 of this circular. A form of proxy for use by the Shareholders at the Extraordinary General Meeting is enclosed. Whether or not you intend to attend and vote at the Extraordinary General Meeting in person, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjourned meetings should you so wish.

Hong Kong, 8 May 2018

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DEFINITION

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

“Articles”	the articles of association of the Company
“Board”	the board of Directors
“Business Day(s)”	means a day on which banks are open for business in Hong Kong (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. to 5:00 p.m.)
“Company”	EAGLE RIDE INVESTMENT HOLDINGS LIMITED (鷹力投資控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Completion Date(s)”	means the date(s) mutually agreed between the Placing Agents and the Company within three (3) months following the fulfilment of all of the conditions of the Placing or such later date as the Placing Agents and the Company may agree in writing, on which completion(s) of the Placing shall take place pursuant to the Placing Agreement
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company

DEFINITION

“EGM”	the extraordinary general meeting of the Company to be convened and held at 11:30 a.m. on 31 May 2018 (or so soon thereafter as the annual general meeting convened to be held at 11:00 a.m. on the same day at the same place shall have been concluded or adjourned) at Room 2206, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, approving the ordinary resolutions in respect of, among others, the Placing Agreement and the transactions contemplated thereunder, and the allotment and issue of the Placing Shares under the Specific Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	persons who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third parties independent of, and not connected with, the Company and its connected persons
“Investment Management Agreements”	the investment management agreement dated 8 December 2016 and the supplemental agreement dated 5 July 2017 entered into between the Company and the Investment Manager
“Investment Manager”	Fortune Legendary Asset Management Limited (formerly known as “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

DEFINITION

“Last Trading Day”	28 March 2018, being the date of the Placing Agreement
“Latest Practicable Date”	30 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for the listing and granting the listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	15 June 2018 or such later date as the parties to the Placing Agreement may agree in writing
“Memorandum”	the memorandum of association of the Company
“Net Asset Value”	the value of all assets less all liabilities of the Company and its subsidiaries
“Original Placing Agreement”	the conditional placing agreement dated 28 March 2018 entered into among the Company, Hao Tian International Securities Limited and Fulixin Securities Limited in relation to the Placing
“Participation Deed”	the participation deed dated 23 April 2018 entered into among the Company and the Placing Agents in relation to the Original Placing Agreement
“Performance Fee Valuation Date”	the last Business Day of each financial year of the Company, being 31 December of each year
“Placees”	any professional investor(s), institutional investor(s) or other investor(s) to be procured by the Placing Agents or any of their agent(s) to subscribe for any of the Placing Shares under the Placing

DEFINITION

“Placing”	the placing of up to 1,000,000,000 Placing Shares in accordance with the terms and conditions of the Placing Agreement
“Placing Agents”	(i) Hao Tian International Securities Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) regulated activities as defined in the SFO; (ii) Fulixin Securities Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities as defined in the SFO; (iii) First Capital Securities Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities as defined in the SFO; and (iv) Golden Rich Securities Limited, a licensed corporation under the SFO to carry out Type 1 (dealing in securities) regulated activities as defined in the SFO, and “Placing Agent” means any one of the Placing Agents
“Placing Agreement”	the Original Placing Agreement as supplemented by the Participation Deed in relation to the Placing
“Placing Price”	the price of HK\$0.3 per Placing Share
“Placing Shares”	up to a total of 1,000,000,000 new Shares to be placed by the Placing Agents to the Placees in accordance with the terms and conditions of the Placing Agreement
“PRC”	the People’s Republic of China which shall, for the purpose of this circular, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Renewal Date”	1 January 2017, being the renewal date of the investment management agreement dated 8 December 2016 entered into between the Company and the Investment Manager
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITION

“Share(s)”	ordinary share(s) of HK\$0.0125 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the EGM to authorize the Directors to allot and issue the Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	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 Director:

Chan Yiu Pun, Clement

Non-executive Directors:

Hu Haisong

Tung Shu Sun (*Chairman*)

Dang Yin Liang

Xu Zheng

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

8 May 2018

To the Shareholders

Dear Sir/Madam

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 28 March 2018 and 23 April 2018 in which the Company announced that the Company and the Placing Agents entered into the Placing Agreement in relation to the Placing.

LETTER FROM THE BOARD

The purpose of this circular, among other things, is to provide you with the relevant information regarding the resolutions to be proposed at the EGM relating to the placing of up to 1,000,000,000 Placing Shares and to give you notice of the EGM.

THE PLACING AGREEMENT

Date:

28 March 2018

Issuer:

The Company

Placing Agents:

Hao Tian International Securities Limited

Fulixin Securities Limited

First Capital Securities Limited

Golden Rich Securities Limited

The Placing Agents have conditionally agreed, severally and not jointly, as agents of the Company, to place up to 1,000,000,000 Placing Shares, on a best effort basis, to not less than six Places. Each of the Placing Agents will receive a placing commission of 3% of the aggregate Placing Price of the Placing Shares actually placed by such Placing Agent in accordance with the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agents under normal commercial terms and with reference to the prevailing market conditions.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of the Original Placing Agreement, the date of the Participation Deed and the Latest Practicable Date, the Placing Agents and their ultimate beneficial owners are Independent Third Parties.

LETTER FROM THE BOARD

The Company may from time to time appoint one or more additional placing agent(s) of the Company relating to the Placing to procure additional Placees to subscribe for the Placing Shares at the Placing on such terms and subject to such conditions as may be agreed between the Company and such placing agent(s) relating to the Placing. The Company shall have the right to allocate such number of Placing Shares at its sole discretion to each of the Placing Agents and other placing agent(s) appointed by the Company. If the Company appoints any further additional placing agent(s), each of the additional placing agent to be appointed by the Company will be an Independent Third Party.

By not later than 4:00 p.m. two Business Days immediately prior to each completion, the Company shall inform each Placing Agent of the number of Placing Shares to be allocated to the Placees procured by such Placing Agent.

Placees:

The Placing Shares are expected to be placed to not less than six Placees, who will be professional investor(s), institutional investor(s) or other investor(s). The Placees and their respective ultimate beneficial owners shall be Independent Third Parties. The Placing Agents have warranted and undertaken to the Company that none of the Placees would, immediately upon completion(s) of the Placing, become a substantial shareholder of the Company.

Placing Price:

The Placing Price of HK\$0.3 per Placing Share represents:

- (i) a premium of approximately 13.21% to the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a premium of approximately 18.58% to the average closing price of approximately HK\$0.253 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agents with reference to, among other matters, the prevailing market prices of the Shares.

LETTER FROM THE BOARD

Placing Shares:

The maximum number of 1,000,000,000 Placing Shares represents: (a) approximately 55.45% of the existing issued share capital of the Company as at the Latest Practicable Date; and (b) approximately 35.67% of the issued share capital of the Company as enlarged by the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company from the Latest Practicable Date and up to completion(s) of the Placing). The aggregate nominal value of the maximum number of the Placing Shares is HK\$12,500,000.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$300,000,000 and the net proceeds from the Placing will be approximately HK\$290,500,000 (after deduction of commission and other expenses of the Placing). On such basis, the net issue price of each Placing Share is approximately HK\$0.291. It is expected that the net proceeds from the Placing will be utilised for general working capital and/or investment of the Group.

Ranking of the Placing Shares:

The Placing Shares will rank, when issued and fully paid up, *pari passu* in all respects with all other Shares in issue on the Completion Date(s).

Conditions of the Placing:

Each completion of the Placing is conditional upon satisfaction of the following conditions:

- (a) the passing of resolutions at the EGM by the Shareholders approving the Placing Agreement and the transactions contemplated thereunder, and the granting of the Specific Mandate;
- (b) the Listing Committee of the Stock Exchange agreeing to grant the listing of and the permission to deal in the Placing Shares (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agents); and
- (c) no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the Completion Date.

LETTER FROM THE BOARD

If the above conditions are not fulfilled by the Longstop Date, all rights, obligations and liabilities of the Company and the Placing Agents under the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing, save for any antecedent breaches of the Placing Agreement.

As at the Latest Practicable Date, none of the conditions above (except condition (c)) has been fulfilled. In the event that the conditions to the Placing cannot be fulfilled before the Longstop Date (i.e. 15 June 2018), the Company will re-comply with the Listing Rules requirements and seek approval for a new specific mandate from the Shareholders for the issue of the Placing Shares.

Completions of the Placing:

Each completion of the Placing will take place on a date mutually agreed between the Placing Agents and the Company within three months following the fulfilment of all of the conditions of the Placing or such later date as the Placing Agents and the Company may agree in writing.

Mandate to allot and issue the Placing Shares:

The Placing Shares will be allotted and issued under the Specific Mandate which is subject to Shareholders' approval at the EGM.

Subject to the Specific Mandate being obtained at the EGM, the Specific Mandate will be valid and effective until the completion(s) of the Placing, which is expected to take place on the date(s) mutually agreed between the Placing Agents and the Company within three (3) months following the fulfilment of all of the conditions of the Placing.

Termination and force majeure:

If at any time at or prior to 8:00 a.m. on each Completion Date:

- (a) there has been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would, in the reasonable opinion of the Placing Agents, be likely to prejudice materially the consummation of the Placing; or

LETTER FROM THE BOARD

- (b) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agents or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date(s) which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (c) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, any one of the Placing Agents may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to such Completion Date(s).

Upon termination of the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and that the Company shall pay the costs of publishing the abovementioned announcements of the Company dated 28 March 2018 and 23 April 2018.

Application for Listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in investment holding and trading of financial assets at fair value through profit or loss.

LETTER FROM THE BOARD

As disclosed in the announcement of the Company dated 13 April 2018, the Company's unaudited consolidated net liabilities value per share was approximately HK\$0.007. Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$300,000,000 and the net proceeds from the Placing will be approximately HK\$290,500,000 (after deduction of commission and other expenses of the Placing). Such net proceeds will strengthen the financial position of the Company and the Company may have a turnaround from net liabilities to net assets immediately upon the completion of the Placing. As a result of the completion of the Placing, the Company will be in a better position to take up investment opportunities with readily available funds as and when such opportunities arise, including but not limited to the investment opportunities under the 中金MOU (as defined below) and the Oceantec MOU (as defined below), with a view to generating better returns for the Company. The Directors are of the view that the Placing can raise additional funds for the Company while broadening the Shareholder and capital base of the Company.

The Placing Price of HK\$0.3 per Placing Share represents (i) a premium of approximately 13.21% to the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a premium of approximately 18.58% to the average closing price of approximately HK\$0.253 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day. The Directors consider that the terms of the Placing (including the Placing Price and the placing commission) are fair and reasonable based on current market conditions and are in the interest of the Company and the Shareholders as a whole.

The Company has been adopting and maintaining a prudent approach in investing in any investments/target entities. Recently, as mentioned under the paragraph headed "Investment Objectives and Policies", the Company has signed two memoranda of understanding as follows:-

- (i) on 8 March 2018, the Company entered into a memorandum of understanding ("中金MOU") with 中金(深圳)娛樂有限公司 ("中金(深圳)娛樂") pursuant to which both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the 中金MOU, the Company (or its designated nominee) would subscribe for and/or purchase the shares of 中金(深圳)娛樂 (or its designated third party). For further details of the 中金MOU, please refer to the announcement of the Company dated 8 March 2018; and
- (ii) on 29 March 2018, the Company entered into a memorandum of understanding ("Oceantec MOU") with Oceantec Valley Investment Management Co. Ltd. ("Oceantec Valley"), pursuant to which, both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the Oceantec MOU, Oceantec Valley proposed and initiated to establish an equity investment fund ("Fund") which to be positioning in the new energy materials and energy storage sectors. For further details of the Oceantec MOU, please refer to the announcement of the Company dated 3 April 2018.

LETTER FROM THE BOARD

The Company intends to apply approximately 70% of the net proceeds to be raised from the Placing for financing any potential investment opportunities for the Company that might arise from time to time, including but not limited to the investment opportunities in relation to the 中金 MOU and the Oceantec MOU. The remaining 30% of the net proceeds will be utilized for general working capital of the Company.

SHAREHOLDING STRUCTURE

The table below illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the completion(s) of the Placing (assuming the Placing Shares are placed in full):

Shareholders	As at the Latest Practicable Date		Immediately after the completion(s) of the Placing (assuming the Placing Shares are placed in full)	
	<i>Number of Shares</i>	<i>Approximate percentage (note 2)</i>	<i>Number of Shares</i>	<i>Approximate percentage (note 2)</i>
Substantial Shareholder				
Eagle Ride Investments Limited (note 1)	966,638,573	53.59%	966,638,573	34.48%
Public Shareholders				
Places	–	–	1,000,000,000	35.67%
Other public Shareholders	836,920,211	46.41%	836,920,211	29.85%
Total	<u>1,803,558,784</u>	<u>100%</u>	<u>2,803,558,784</u>	<u>100%</u>

Notes:

- Eagle Ride Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by APAC Investment Holdings Limited, 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 other investors (“Investors”) (whose interests are held on trust by Mr. Hu). The Investors are, namely (i) Mr. WANG Haibin, a resident of the People’s Republic of China (the “PRC”) who engages in investment business in the PRC; and (ii) RB International Investments Asia Limited which is principally engaged in financial services.
- Certain amounts and percentage figures included in this circular have been subject to rounding adjustments. Any discrepancy between totals and sums of individual amounts listed are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The following table summarizes the equity fund raising activities of the Company during the last 12 months prior to the Latest Practicable Date:

Date of Announcement	Fund raising activity	Approximate net proceeds (HK\$)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
7 July 2017 3 August 2017	Placing of New Shares under General Mandate	45,400,000	General working capital and/or investment of the Group	General working capital

EGM

The EGM will be held at Room 2206, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong at 11:30 a.m. on 31 May 2018 (or so soon thereafter as the annual general meeting convened to be held at 11:00 a.m. on the same day at the same place shall have been concluded or adjourned) for the purpose of considering, and if thought fit, approving the Placing Agreement and all the transactions contemplated thereunder (including the grant of the Specific Mandate). To the best knowledge of the Directors, no Shareholder is required to abstain from voting at the EGM in respect of the resolution relating to the Placing and the Specific Mandate.

From 28 May 2018 to 31 May 2018, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed. In order to be eligible for attending and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 25 May 2018.

Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY POLL

All resolutions will be put to vote by way of poll at the EGM pursuant to Rule 13.39(4) of the Listing Rules. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

INFORMATION ABOUT THE COMPANY

Investment Objectives and Policies

The Company is an investment company with the investment objective 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; (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.

The Company has adopted the following investment policies:

1. The Company's investment instruments will be made in the form of equity securities or equity-related securities or debt-related in listed and unlisted companies engaged in the oil sector including, but not limited to other industries, like gas, infrastructure, information technology, telecommunications, biological technology, manufacturing, service, property, internet-related business, financial services, entertainment business, education and hotel catering.
2. The Company's investments will normally be made in enterprises which are established in their respective fields and in which the Board believes there are prospects for substantial growth. In particular, the Company will seek to identify enterprises with competitive products and concepts, strong management, high level of technical expertise and research and development capabilities, large potential markets, as well as management commitment to the long-term growth.
3. The Company's investments may be packaged into financial products. The purpose is to minimize the impact on the Company in respect of any downturn in any particular sector in which the Company has investments where it is not to the benefit of the Company to realize the investments and the market conditions are favorable, the Company may package such investments into equity and/or equity related products to hedge against unfavorable conditions.

LETTER FROM THE BOARD

4. The Company may also invest in companies or other entities which are considered by the Board as being special or in recovery situations on a case-by-case basis, such as companies in the course of recovery situations or the shares of which are trading below their net asset value per share, which may have extensive growth in a shorter period and provide attractive returns.
5. The Company may also seek to identify investments where there is a certain degree of synergy with other investee entities and where co-operation between such entities would be of mutual benefit to each other.
6. The actual holding period of the investments will be dependent on the return from investment and the potential of being listed on the Stock Exchange or other internationally recognized stock exchange. The Company will, however, realize investments where the Board believes that such realization would be in the best interests of the Company or where the terms on which such realization can be made are considered by the Board to be particularly favorable to the Company.
7. The Company's investments in the PRC or in other approved jurisdiction may be in form of interests in foreign investment enterprises or participation in unincorporated investments. In the event that the entity in which an investment is made is an unlimited company, the Company will invest either through a subsidiary or an intermediate holding company with limited liability. The Company will seek to ensure that it is not unnecessarily exposed to unlimited liability.
8. In the event there are financial resources available and are not immediately required for other purpose, the Company may trade in equity securities, equity-related securities or debt instruments issued by listed or unlisted companies on short-term basis which are considered appropriate by the Board.
9. The Company may hedge against interest rate risk by entering into forward interest rate agreements, interest rates and bond future contracts and interest rate swaps and purchase and write (sell) put or call options on interest rates and put or call options on futures on interest rates. The Company will only engage in transactions in options and futures which are traded on recognized securities or futures exchanges and for the purpose of hedging only. The Company has no intention to purchase or write (sell) derivatives.

LETTER FROM THE BOARD

10. For the purpose of capital value protection of the Company's assets before suitable investment projects are identified, the Company will be placing deposits in Hong Kong dollars or other currencies with any financial institutions in Hong Kong or elsewhere, or investing in debt, securities, money market instruments and other instruments denominated issued by various governments or their respective subdivisions or international government agencies.

The investment objectives and policies of the Company as stated above may be altered without Shareholders' approval.

As mentioned under the paragraph headed "Reasons for the Placing and Use of Proceeds", on 8 March 2018, the Company entered into the 中金MOU with 中金(深圳)娛樂 pursuant to which both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the 中金MOU, the Company (or its designated nominee) would subscribe for and/or purchase the shares of 中金(深圳)娛樂 (or its designated third party). For further details of the 中金MOU, please refer to the announcement of the Company dated 8 March 2018.

As mentioned under the paragraph headed "Reasons for the Placing and Use of Proceeds", on 29 March 2018, the Company entered into the Oceantec MOU with Oceantec Valley, pursuant to which, both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the Oceantec MOU, Oceantec Valley proposed and initiated to establish the Fund which to be positioning in the new energy materials and energy storage sectors. For further details of the Oceantec MOU, please refer to the announcement of the Company dated 3 April 2018.

Save as disclosed hereinabove, as at the Latest Practicable Date, the Company does not have any intention to invest in options, warrants, commodities, futures contracts, unlisted securities and precious metals.

These investments are subject to market fluctuations and the inherent risks associated with all investments. Investors should be reminded that the Company's income and its net asset value are liable to be adversely affected by external factors beyond the control of the Company. As a result, income of the Company and its net asset value may therefore go down as well as go up, subject to the prevailing market conditions. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

Investment Restrictions

The Articles and the Listing Rules impose certain restrictions on investments to be made by the Company. To this end, the Board has resolved that the Company will not:

- (a) either by itself or through its wholly-owned subsidiaries or in conjunction with any connected person, as defined in the Listing Rules, take legal, or effective management control of underlying investments and in no event, will the Company itself or through its wholly-owned subsidiaries own or control more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code or other laws, regulations, rules, codes, order or policies of other relevant jurisdiction as being the level of interest for triggering a mandatory general offer for all the interest of the investee companies or any other similar action or consequence) of the voting rights in any one company or body, except in relation to wholly-owned subsidiaries of the Company established for the sole purpose of holding the investments of the Company;
- (b) invest in any company or entity, other than wholly-owned subsidiaries of the Company, if such investment or the aggregate amount put into the same investment will result in more than 20% of the Net Asset Value being invested in such company or entity as at the date of the investment is made; and
- (c) invest more than 30% of its assets outside Hong Kong and the PRC to the extent of contravening its primary investment objective of achieving short to medium term capital appreciation by investing in listed or unlisted enterprises in Hong Kong and/or the PRC.

The Company has to comply with investment restrictions (a) and (b) above at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules and these restrictions are contained in the Articles. Investment restriction (c) can be changed subject to the approval of the Shareholders by way of an ordinary resolution at a general meeting. The Board has no present intention to change any of the above-mentioned investment restrictions.

LETTER FROM THE BOARD

Distribution Policy

Interest income, dividend income and other incomes of the Company will be used first to meet expenses. The Board with the advice of the Investment Manager will then assess whether it is reasonable to make provisions for future expenses and/or any possible diminution in value of investments, and will consider the amount of cash which should be retained by the Company for further investments. It is the Board's intention, at the sole discretion of the Directors, to distribute any excess balance by way of dividend to the extent permitted by law, the Memorandum and the Articles. Distributions (if any) will be made annually after the annual accounts of the Company are approved by the Shareholders but interim distributions may be made from time to time to the Shareholders as appeared to the Board to be justified by the then financial position of the Company. Distributions will be made in Hong Kong dollars.

Taxation

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

Borrowing Powers

The Board intends to exercise its borrowing power to borrow up to an aggregate principal amount of HK\$500 million. In the event that the borrowing should exceed HK\$500 million, the Board must obtain prior approval of the Shareholders at a general meeting. Pursuant to the provisions of the Memorandum, the Articles and the Investment Management Agreements, the Board may from time to time borrow for the purposes of providing liquidity or taking advantage of investment opportunities. The Investment Manager shall not have power to enter into any arrangement pursuant to the exercise of the borrowing power on behalf of the Company.

LETTER FROM THE BOARD

Directors Particulars

The particulars of the Directors are set out in the table below:

Name	Position	Address
Mr. CHAN Yiu Pun, Clement	Executive Director	Flat D, 21/F., Block 4, Felicity Garden, 111 Shau Kei Wan Road, Sai Wan Ho, Hong Kong
Mr. HU Haisong	Non-executive Director	1505 Kapok Apartment, 28 Harbour Road, Wan Chai, Hong Kong
Mr. TUNG Shu Sun	Non-executive Director	Rm 402, Block 7, No 428 Qu Yang Road, Hong Kou District, Shanghai, PRC
Mr. DANG Yin Liang	Non-executive Director	8/12 South Lane, Eight South Lane, 2/F, Flat D, Hong Kong
Mr. XU Zheng	Non-executive Director	Dynasty Garden, TianZhu, Shun Yi, Beijing Li Jing Road, F12
Mr. GUI Shengyue	Independent Non-executive Director	Suite No. 3717, Convention Plaza Apartments, 1 Harbour Road, Wan Chai, Hong Kong
Mr. WANG Xianzhang	Independent Non-executive Director	Rm 502, 101 Jingshun Lu, Chaoyang District, Beijing, PRC
Mr. Vichai PHAISALAKANI (alias Mr. Andy HUNG)	Independent Non-executive Director	31D Seahorse Lane, Discovery Bay, Lantau Island, Hong Kong

LETTER FROM THE BOARD

The biographical details of the Directors are set out as follows:

Executive Director

Mr. CHAN Yiu Pun, Clement, aged 60, was appointed an Executive Director of the Company on 1 November, 2013. He was an Executive Director and Authorised Representative of Opes Asia Development Limited, a company listed on the Hong Kong Stock Exchange with stock code: 810, from September 2012 to October 2013. Mr. Chan had over 20 years of experience in the financial industry, including professional management of investments on behalf of third party investors through his role in Opes Asia Development Limited and experiences as responsible officers for type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Future Ordinance (“SFO”) for a number of corporations including China International Capital Limited from May 2007 to January 2013 and Wealth Assets Management Limited from November 2005 to August 2012. In addition, Mr. Chan also served as a responsible officer for type 4 (advising on securities) regulated activity under the SFO of Gain Miles Financial Planning Consultants Limited from February 2005 to August 2006. Mr. Chan also worked in AIG Financial Advisor Services, Limited (now known as AIA Wealth Management Company Limited) from May 2000 to May 2003 with last position as director and head of the team of wholesalers and Keen Shing Investment Consultants Ltd (now known as China International Capital Limited) from June 1996 to March 2000 with last position as investment director.

He is a member of The Institute of Financial Planners of Hong Kong Limited and also a Certified Financial Planner in Hong Kong. Mr. Chan obtained a higher diploma in accountancy from the Hong Kong Polytechnic (now known as the Polytechnic University of Hong Kong) in November 1980 and a master of science in corporate governance & directorship from the Hong Kong Baptist University in November 2008.

LETTER FROM THE BOARD

Non-executive Directors

Mr. HU Haisong, aged 50, was appointed a Non-executive Director of the Company on 1 November, 2013. He has a strong track record in pursuing cross-border business opportunities primarily in the energy and resources industry. Mr. Hu has substantial experience in business management and management and supervision of investment projects in various sectors and industries, including oil and gas related industry, trading of commodities and real estates. Mr. Hu is currently the chairman and director of each of APAC Investment Holdings Limited (“APAC”) and Eagle Ride Investments Limited (“Eagle Ride Investments”). APAC is principally engaged in investment holding focusing on the energy sector and high growth private investments and Eagle Ride Investments is an investment holding company. Mr. Hu is also a director of Bluesea Energy Holdings Limited, a limited liability company incorporated in Hong Kong and is principally engaged in providing consultancy services in the oil and gas related industry and the trading of petroleum related products, including crude oil and fuel oil. Mr. Hu obtained a Doctor degree in Business Administration honoris causa by Dubna International University for Nature, Society and Man in June 2013.

Mr. TUNG Shu Sun, aged 70, was appointed a Non-executive Director of the Company on 1 November, 2013. He used to be the chief executive officer of APAC. APAC is principally engaged in investment holding focusing on the energy sector and high growth private investments. Mr. Tung was the executive director and the executive deputy managing director of COSCO International Holdings Limited, a company listed on the Stock Exchange with stock code: 517, from December 1997 to July 2003 and has extensive experiences in corporate management, management of investment projects as well as management and mergers and acquisitions of listed companies. Mr. Tung joined China Ocean Shipping (Group) Company since 1968 and served in sea transportation, shipbuilding, container transportation, external affairs and administrative management as well as real estate and infrastructure.

LETTER FROM THE BOARD

Mr. DANG Yin Liang, aged 47, was appointed as a Non-executive Director of the Company on 16 April 2018. He has served as the vice general manager of the business department of Shenzhen Hong Ling Zhong Lu Securities (深圳紅嶺中路證券) of Guosen Securities Company Limited (國信證券股份有限公司) responsible for corporate business with focuses on business development of listed companies, Sunshine private funds and hedging funds. He has served as the head of IT at IT department of Shenzhen Baoan Road Branch of China Galaxy Securities Co., Ltd. responsible for the safety of computer system and technical maintenance and development. He has served as the vice general manager of Shanxi Zhongcheng Investment Consultation Company Limited (山西中誠投資顧問有限公司) responsible for investment business. Since 2016, he has founded Yi Fan (Shenzhen) Assets Management Company Limited (一番(深圳)資產管理有限公司) and served as an executive director focusing on the operation and management of equity investment, merger fund project and various medical and healthcare projects at nurturing stage being invested and managed. Mr. Dang graduated from the Department of International Trade of Tianjin University of Finance and Economics with a master's degree in economics and Electronic Science and Technology of China (Chengdu) with a master's degree in engineering majoring in computer software. He holds professional certificates in securities and private funds from the Securities Association of China.

Mr. XU Zheng, aged 45, was appointed as a Non-executive Director of the Company on 19 April 2018. He is the founding partner of Cornerstone Venture Investments and Phoenix Capital (both engaging in private equity investments in fast growing internet, entertainment and new media, fast moving consumer goods and O2O field in the PRC) wholly responsible for the operation and investments of funds. Before founding Cornerstone Venture Investments and Phoenix Capital, Mr. Xu served as the vice president of Sequoia Capital China from June 2007 to July 2013. Before joining Sequoia Capital China, Mr. Xu served as the chief investment officer of Walden International (a leading venture capital firm which is engaged in investment in Asian-Pacific region and has invested in Sina, SMIC, Rock Mobile, Dangdang.com, etc.) which is engaged in the investment in industries such as technology, media, telecommunication, life science, consumption and clean energy in the PRC. Before joining Walden International, Mr. Xu served as the chief financial officer of Norstar Media (the controlling shareholder of it168.com and che168.com). Prior to that, Mr. Xu worked for various investment banks and helped numerous domestic companies raise capital over US\$3 billion. Mr. Xu holds an MBA degree from Booth School of Business of the University of Chicago and an EMBA degree from Cheung Kong Graduate School of Business.

LETTER FROM THE BOARD

Independent Non-executive Directors

Mr. GUI Shengyue, aged 54, was appointed an Independent Non-executive Director of the Company on 1 November, 2013. He is currently the Chief Executive Officer of Geely Automobile Holdings Limited (“Geely”), a company listed on the Stock Exchange with stock code: 175, since February 2006, and is responsible for the overall administration, risk management and compliance of Geely. Mr. Gui joined Geely in June 2005.

Mr. WANG Xianzhang, aged 75, was appointed an Independent Non-executive Director of the Company on 1 November, 2013. He was the chairman of the board and president of China Life Insurance Company Limited, a company listed on the Stock Exchange with stock code: 2628 since its listing in 2003 to June 2005. Mr. Wang also served as president of China Life Insurance (Group) Company and chairman of China Life Asset Management Company Limited. In addition, Mr. Wang was also appointed as the directors of a number of listed companies in Hong Kong, including the executive director of Pacific Century Insurance Holdings Limited previously listed on the Stock Exchange from June 1999 to November 2000, and re-designated to non-executive director from November 2000 to March 2006 and independent non-executive director from March 2006 to June 2007. Mr. Wang was also the independent non-executive director of Beijing Enterprises Holdings Limited, a company listed on the Stock Exchange with stock code: 392, from April 1997 to March 2008. Currently, Mr. Wang serves as the independent non-executive director of Sino Energy International Holdings Group Limited.

Mr. Vichai PHAISALAKANI, (alias Mr. Andy HUNG), aged 69, was appointed an Independent Non-executive Director of the Company on 1 November, 2013. Mr. Phaisalakani graduated from Minnesota State University at Mankato, Minnesota, the United States of America and is a Chartered Professional Accountant in Canada as well as a member of Hong Kong Institute of Certified Public Accountants. He has worked for an international accounting firm for 11 years and has extensive experience in finance and corporate management with major electronics and garments corporations. Mr. Phaisalakani was the executive director and chief financial officer of Willas-Array Electronics (Holdings) Limited, a company listed on the Main Board of the Singapore Exchange Limited as well as the Main Board of the Stock Exchange, until his retirement in June 2013. He had also served as a senior consultant of Walker Group Holdings Limited, a company listed on the Main Board of the Stock Exchange, until September 2015. Mr. Phaisalakani is currently the Chief Financial Officer of ATAL Engineering Limited. He also serves as an independent non-executive director of Victory City International Holdings Limited, a company listed on the Main Board of the Stock Exchange.

LETTER FROM THE BOARD

Information on the Investment Manager

The information of the Investment Manager are set out in the table below:

Name	Address
Fortune Legendary Asset Management Limited (formerly known as “Blue Star Asset Management Limited”)	Room 2206, 22/F, China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong

The particulars of the sole director of the Investment Manager are set out in the table below:

Name	Position	Address
Ms. Lee Shuk Ying, Nancy (“Ms. Lee”)	Director	Flat B, 9/F, Earl Garden, 1-5 Earl Street, Kowloon, Hong Kong

Ms. Lee is the sole director and one of the responsible officers of the Investment Manager. Ms. Lee has over 15 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 assets under management of Can\$9 billion in 1992. 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 licensed person for regulated activities for Type 4 (advising on securities) and Type 9 (asset management) under the SFO.

Foreign Exchange Policy and Exchange Control

The Group’s investments may be denominated in currencies other than Hong Kong dollars, and there is accordingly a risk relating to exchange rate fluctuations. The Group’s exposure to foreign exchange risk was not significant. Therefore, no financial instruments was made to hedge such exposures.

LETTER FROM THE BOARD

Fees and Expenses

The Company will pay the fees to the Investment Manager as described below. In addition, the Company will pay certain other costs and expenses incurred in its operation, including taxes (other than Hong Kong profits tax), expenses for legal, auditing and consultancy services, promotional expenses, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest, brokerage costs and the cost of publishing the Net Asset Value on a monthly basis.

Management Fee of Investment Manager

The investment management fee is HK\$185,000 per month effective from 5 July 2017.

Investment Performance Fee of Investment Manager

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; 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).

Save for the management fee and investment performance fee, the directors of the Investment Manager and the associates of such person are not entitled to receive any brokerage charged to the Company or any re-allowance of other types on purchases charged to the Company.

Investment Portfolio of the Company

The followings are the details of all listed investments of the Company and all other investments of the Company with a value of more than 5% of the Company’s gross assets as at the Latest Practicable Date, and details of the ten largest investments of the Company as at the Latest Practicable Date. Save for the investments disclosed herein, there are no other listed investments or other investments with a value of more than 5% of the Company’s gross assets as at the Latest Practicable Date.

LETTER FROM THE BOARD

Name of investee company	Number of shares held	% of investee's capital owned	Carrying value <i>HK\$</i>	Directors' valuation/ market value (in the case of listed investments) as at the Latest Practicable Date <i>HK\$</i>	Dividends/ other income received during the year from such investment (including any abnormal dividends) <i>HK\$</i>	Dividend cover/ underlying earnings <i>HK\$</i>	% of the Company's net assets as at the Latest Practicable Date attributable to the investment
E-Com Holdings Pte. Ltd. <i>(note 1)</i>	1,259,607	23.70%	18,424,082	18,424,082	–	–	N/A <i>(note 3)</i>
China Partners Consultancy Limited <i>(note 2)</i>	–	–	4,806,000	4,806,000	N/A	N/A	N/A <i>(note 3)</i>
Tech Pro Technology Development Limited (Stock code: 3823)	17,634,000	0.22%	0	0	–	–	N/A <i>(note 3)</i>
State Energy Group International Assets Holdings Limited (Stock code: 918)	896,000	0.12%	465,920	416,640	–	–	N/A <i>(note 3)</i>

Notes:

1. The investment is the unlisted equity investment.
2. The investment is the unlisted corporate bond.
3. The Company is in a net liabilities position at the Latest Practicable Date.

The following is the brief description of the business of each of the investee company:–

- (a) E-Com Holdings Pte. Ltd. (“E-Com”) is a private company incorporated in Singapore, which is principally engaged in the provision of Chinese e-learning platforms for primary school students in Singapore and other Asian regions. No dividend was declared or received during the year.

For the year ended 31 December 2017, the unaudited consolidated net profit of E-Com was approximately S\$581,000 (equivalent to approximately HK\$3,297,000). As at 31 December 2017, its unaudited consolidated net assets were approximately S\$2,450,000 (equivalent to approximately HK\$14,326,000).

- (b) China Partners Consultancy Limited (“CPC”) is a private company incorporated in Hong Kong, which is principally engaged in the provision of consultancy services.

LETTER FROM THE BOARD

The Group has invested in a 14% coupon unlisted bond of HK\$5,000,000 issued by CPC on 11 July 2016 and due on 11 July 2018. It derived a bond interest income of HK\$700,000 during the year. CPC has the right to redeem the corporate bond at any time before the maturity date with at least 5 clear business days in written notice. For the year ended 31 March 2017, the audited net liabilities of CPC was approximately HK\$882,000.

- (c) Tech Pro Technology Development Limited (“Tech Pro”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Stock Exchange. It is principally engaged in the manufacturing and sale of LED lighting products and accessories, provision of energy efficiency projects, promotion and development of a professional football club, and provision of property leasing and sub-leasing services.

For the six months ended 30 June 2017, the unaudited consolidated net loss attributable to owners of Tech Pro was approximately RMB59,636,000 (equivalent to approximately HK\$68,963,000) and the basic loss per share was RMB0.81cent (equivalent to HK0.92cent). As at 30 June 2017, the unaudited consolidated net asset value was approximately RMB832,322,000 (equivalent to approximately HK\$999,294,000).

The trading of Tech Pro has been suspended by the Stock Exchange and Tech Pro is expected to record an increase in the net loss for year ended 31 December 2017, therefore full provision for diminution in value had been made.

- (d) State Energy Group International Assets Holdings Limited (Formerly known as “Takson Holdings Limited”) (“State En Assets”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange. It is principally engaged in the sourcing, subcontracting, marketing and selling of outerwear garments and sportswear products, and property investments.

For the six months ended 30 September 2017, the unaudited consolidated net gain attributable to owners of State En Assets was approximately HK\$28,620,000 and the basic earnings per share was HK3.80 cents. At 30 September 2017, the unaudited consolidated net asset value was approximately HK\$67,166,000.

LETTER FROM THE BOARD

Provision for Diminution in Value of Investments

Set out below are the details of the provision that has been made for diminution in value of the Company's investments as at the Latest Practicable Date:

Name of investee company	Carrying value <i>HK\$</i>	Provision made <i>HK\$</i>	Book value as at the Latest Practicable Date <i>HK\$</i>	Reason for the provision
State Energy Group International Assets Holdings Limited	465,920	49,280	416,640	<i>(Note 1)</i>

Note:

1. The investment is stated at fair value with reference to quoted market price after making provision for diminution in value.

RECOMMENDATIONS

The Directors consider that the Placing and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of the resolutions to be proposed at the EGM.

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.

LETTER FROM THE BOARD

MISCELLANEOUS

Save as otherwise indicated, the English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

There is not any other stock exchange on which any part of the equity or debt securities of the issuer is listed or dealt in on which listing or permission to deal is being or is proposed to be sought.

By order of the Board
Eagle Ride Investment Holdings Limited
鷹力投資控股有限公司
Tung Shu Sun
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Eagle Ride Investment Holdings Limited (the “**Company**”) will be held at 11:30 a.m. on 31 May 2018 (or so soon thereafter as the annual general meeting convened to be held at 11:00 a.m. on the same day at the same place shall have been concluded or adjourned) at Room 2206, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the Placing Agreement (as defined in the circular dated 8 May 2018 despatched to the shareholders of the Company (“**Circular**”), a copy of which has been produced to the Meeting marked “A” and initialled by the chairman of the Meeting for the purpose of identification), a copy of which has been produced to the Meeting marked “B” and initialled by the chairman of the Meeting for the purpose of identification, and all the transactions contemplated thereunder be and is hereby approved;
- (b) the board of directors of the Company (“**Board**”) or a committee thereof be and is hereby specifically authorised to allot and issue the Placing Shares (as defined in the Circular) in accordance with the terms of the Placing Agreement; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) any one director of the Company be and are hereby authorised to sign, execute, perfect and deliver all such documents and deeds, and do all acts, matters and things, as the case may be in his discretion consider desirable or expedient to give effect to the Placing Agreement and all the transactions contemplated thereunder (including the allotment and issue of the Placing Shares pursuant thereto) and to agree to such variation, amendment or waiver as are, in the opinion of such director of the Company, in the interest of the Company, provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the Placing Agreement.”

By order of the Board
Eagle Ride Investment Holdings Limited
鷹力投資控股有限公司
Tung Shu Sun
Chairman

Hong Kong, 8 May 2018

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
2. From 28 May 2018 to 31 May 2018, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the Meeting, the register of members of the Company will be closed. In order to be eligible for attending and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 25 May 2018.
3. A form of proxy for use at the meeting is enclosed.
4. The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
5. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be lodged at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Meeting or at any adjourned meeting (as the case may be) should they so wish.
6. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in personal or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.