
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China HKBridge Holdings Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission take no responsibility as to the contents of any of the Prospectus Documents or any other documents referred to above.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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



中國港橋控股有限公司

China HKBridge Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

**RIGHTS ISSUE OF 732,000,000 RIGHTS SHARES
AT HK\$2.2 PER RIGHTS SHARE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE**

Underwriter of the Rights Issue

Youfu Investment Co., Ltd

Capitalised terms used in this cover have the same meanings as those defined in this prospectus.

The Latest Acceptance Time of and payment for the Rights Shares is 4:00 p.m. on Monday, 20 November 2017. The procedures for subscription of Rights Shares are set out on pages 16 to 20 of this prospectus.

The Rights Issue is conditional upon the fulfillment of the conditions (or, in respect of certain conditions, waiver thereof) as set out in the sections headed "The Rights Issue" and "The Underwriting Agreement" in the letter from the Board in this prospectus. The Underwriting Agreement in respect of the Rights Issue contains provisions granting the Underwriter the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 7 to 8 in this prospectus.

The Shares have been dealt in on an ex-rights basis from Wednesday, 25 October 2017. Dealings in the Rights Shares in the nil-paid form will take place from 9:00 a.m. on Tuesday, 7 November 2017 to 4:00 p.m. on Wednesday, 15 November 2017. If the conditions of the Rights Issue are not fulfilled (or, in respect of certain conditions, waived) on or before 4:00 p.m. on Tuesday, 21 November 2017 (or such later time and/or date as the Company and the Underwriter may determine), or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any persons contemplating dealings in the Shares up to the date on which all conditions of the Right Issue are fulfilled (or, in respect of certain conditions, waived) and the Underwriter's right of termination under the Underwriting Agreement ceases, as well as dealing in the Rights Shares in their nil-paid form during the period from Tuesday, 7 November 2017 to Wednesday, 15 November 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers and exercise caution.

3 November 2017

CONTENTS

	<i>Page</i>
Expected timetable	ii
Definitions	1
Termination of the Underwriting Agreement	7
Letter from the Board	9
Appendix I — Financial information of the Group	I-1
Appendix II — Unaudited pro forma financial information of the Group ..	II-1
Appendix III — General information	III-1

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and is subject to change. Further announcement(s) will be made by the Company should there be any changes to the expected timetable.

Event	2017
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Tuesday, 7 November
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Friday, 10 November
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Wednesday, 15 November
Latest Acceptance Time	4:00 p.m. on Monday, 20 November
Latest Termination Time and the Rights Issue becomes unconditional	4:00 p.m. on Tuesday, 21 November
Announcement of the allotment results of the Rights Issue	Monday, 27 November
Despatch of certificates for the fully-paid Rights Shares	Tuesday, 28 November
Despatch of refund cheques if the Rights Issue does not proceed and in respect of wholly or partially unsuccessful application(s) for excess Rights Shares	on or before Tuesday, 28 November
Expected first day of dealings in the fully-paid Rights Shares	9:00 a.m. on Wednesday, 29 November

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

All times and dates in this prospectus refer to Hong Kong local times and dates. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong on Monday, 20 November 2017, being the date of the Latest Acceptance Time,

- (a) at any time before 12:00 noon and no longer in force after 12:00 noon, the Latest Acceptance Time will be postponed to 5:00 p.m. on the same Business Day; or
- (b) at any time between 12:00 noon and 4:00 p.m., the Latest Acceptance Time will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

the dates mentioned in the expected timetable above (including, without limitation, the Latest Termination Time) may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 31 August 2017 in relation to, among other things, the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement, the Whitewash Waiver and the appointment of independent financial adviser
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day, not being a Saturday, Sunday or public holiday, on which banks are open for business (including for dealings in foreign currency deposits and exchange) in Hong Kong
“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Aim”	China Aim Holdings Limited, a company incorporated in Hong Kong and is wholly-owned by Ms. Liu Hui (劉慧)
“China Aim Undertaking”	the undertaking dated 27 September 2017 given by China Aim pursuant to which China Aim has irrevocably undertaken (among other matters) not to subscribe for any Rights Shares
“China Tian Yuan”	China Tian Yuan Manganese Limited (中國天元錳業有限公司), a company incorporated in the Cayman Islands and wholly-owned by Ningxia Tian Yuan Manganese Industry Co., Ltd.* (寧夏天元錳業有限公司), which is in turn owned as to 99.62% by Mr. Jia, 0.19% by Ms. Dong Jufeng (東菊鳳) and Ms. Zhu Fenglian (朱鳳蓮), respectively

* For identification purpose only

DEFINITIONS

“Circular”	the circular of the Company dated 29 September 2017 in relation to among other things, the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement and the Whitewash Waiver
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended from time to time
“Company”	China HKBridge Holdings Limited (stock code: 2323), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Rights Issue
“connected person(s)”	has the meaning ascribed to such term under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to such term under the Listing Rules
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Excluded Shareholders”	the Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares, on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his/her delegate(s)
“Group”	the Company and its subsidiaries

DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Mr. Liu, China Tian Yuan, China Aim, the Underwriter, Zhisheng and their respective associates and parties acting in concert with any of them and those who is/are involved in or interested in the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) the Company or its connected persons
“Irrevocable Undertakings”	the irrevocable undertakings dated 31 August 2017 given by each of the Underwriter, Mr. Sun, China Tian Yuan and Mr. Jia in favour of the Company, details of which are set out in the paragraph headed “Underwriting Agreement – Irrevocable Undertakings” in the letter from the Board in this prospectus
“Last Trading Day”	31 August 2017, being the date of the Underwriting Agreement and the last trading day of the Shares before the release of the Announcement
“Latest Acceptance Time”	4:00 p.m. on Monday, 20 November 2017, or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares
“Latest Practicable Date”	26 October 2017, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining information contained herein
“Latest Termination Time”	4:00 p.m. on Tuesday, 21 November 2017, being the first Business Day after the Latest Acceptance Time, or such later time as may be agreed between the Company and the Underwriter in writing

DEFINITIONS

“Mr. Jia”	Mr. Jia Tianjiang (賈天將), who holds 99.62% of the issued share capital of Ningxia Tian Yuan Manganese Co., Ltd.* (寧夏天元錳業有限公司), which in turn wholly owns China Tian Yuan
“Mr. Liu”	Mr. Liu Tingan (劉廷安), the executive Director, the chairman of the Board and the chief executive officer of the Company
“Mr. Sun”	Mr. Sun Mingwen (孫明文), the sole shareholder of the Underwriter and the brother-in-law of Ms. He
“Ms. He”	Ms. He Yeqin (賀葉芹), the sole shareholder of Zhisheng and the sister-in-law of Mr. Sun
“Outstanding Share Awards”	the outstanding awards to Mr. Liu, an executive Director, of up to 48,000,000 new Shares pursuant to the Share Award Scheme
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es) on the register of members of the Company on the Record Date are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus despatched to the Shareholders in relation to the Rights Issue in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Friday, 3 November 2017, or such other day as may be agreed between the Company and the Underwriter, being the date of despatch of the Prospectus Documents (in the case of the Excluded Shareholder(s), Prospectus only)

* For identification purpose only

DEFINITIONS

“Qualifying Shareholder(s)”	the Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the Record Date, other than the Excluded Shareholders
“Record Date”	Thursday, 2 November 2017, being the date by reference to which entitlements to the Rights Issue will be determined
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, which is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period from 28 February 2017, being the date falling six months prior to the date of the Announcement, up to the Latest Practicable Date
“Rights Issue”	the issue of one (1) Rights Share for every two (2) existing Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	a total of 732,000,000 Share(s) to be allotted and issued under the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date)
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company convened and held to consider and approve, among other things, (i) the Increase in Authorised Share Capital; (ii) the Rights Issue; (iii) the Underwriting Agreement and the transactions contemplated thereunder; and (iv) the Whitewash Waiver
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 17 May 2016, brief details of which are set out in the Company’s circulars dated 5 July 2016 and 30 September 2016, respectively

DEFINITIONS

“Shareholder(s)”	shareholder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$2.2 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Underwriter”	Youfu Investment Co., Ltd, a company incorporated in the BVI and is wholly-owned by Mr. Sun (the brother-in-law of Ms. He)
“Underwriting Agreement”	the underwriting agreement dated 31 August 2017 entered into between the Company and the Underwriter in relation to the Rights Issue
“Underwritten Shares”	441,903,667 Rights Shares, being the total number of Rights Shares less a total of 290,096,333 Rights Shares to be taken up by the Underwriter and China Tian Yuan pursuant to the Irrevocable Undertakings
“Whitewash Waiver”	a waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Underwriter to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Underwriter and parties acting in concert with it as a result of the subscription of the Rights Shares by the Underwriter pursuant to the Underwriting Agreement and the Irrevocable Undertakings of the Underwriter
“Zhisheng”	Zhisheng Enterprise Investment Co. Ltd., a company incorporated in the BVI and is wholly-owned by Ms. He Yeqin (the sister-in-law of Mr. Sun)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

The English text of this prospectus shall prevail over their Chinese texts in case of inconsistency.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Latest Termination Time is 4:00 p.m. on Tuesday, 21 November 2017 (being the first Business Day after the Latest Acceptance Time on Monday, 20 November 2017), or such later time as may be agreed between the Company and the Underwriter. If, prior to the Latest Termination Time, one or more of the following events or matters shall occur, arise, exist, or come into effect:

- (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) after the signing of the Underwriting Agreement;
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business, the financial or trading position or prospects of the Group as a whole;
- (c) any material adverse change after the signing of the Underwriting Agreement in the business, the financial or trading position or prospects of the Group as a whole;
- (d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurring after the signing of the Underwriting Agreement which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business, the financial or trading position or prospects of the Group as a whole;
- (e) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (f) after signing of the Underwriting Agreement, any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, in/on Hong Kong, the PRC or other jurisdiction relevant to any member of the Group and a change in currency conditions for this purpose which includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (g) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company, which event or events is or are in the reasonable opinion of the Underwriter material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue,

the Underwriter shall be entitled by serving notice in writing to the Company prior to the Latest Termination Time to terminate the Underwriting Agreement.

Upon giving of termination notice by the Underwriter to the Company pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement.

If the Underwriting Agreement is terminated, the Rights Issue will not proceed. A further announcement would be made if the Underwriting Agreement is so terminated.

LETTER FROM THE BOARD



中國港橋控股有限公司

China HKBridge Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 2323)

Executive Directors:

Mr. LIU Tingan

(Chairman and Chief Executive Officer)

Mr. CHEOK Ho Fung *(Deputy Chairman)*

Non-executive Director:

Mr. MAO Yumin

Independent non-executive Directors:

Mr. NG Man Kung

Dr. NGAI Wai Fung

Mr. LAU Fai Lawrence

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Principal Place of

Business in Hong Kong:

Room 3601-02,

Bank of America Tower

12 Harcourt Road, Central

Hong Kong

3 November 2017

To the Shareholders

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE AT HK\$2.2 PER RIGHTS SHARE

INTRODUCTION

Reference is made to the Announcement and the Circular in relation to, among other things, the Rights Issue.

On 31 August 2017, the Board announced that the Company proposed to raise gross proceeds of approximately HK\$1,610.4 million by way of the Rights Issue on the basis of one Rights Share for every two existing Shares held on the Record Date (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or

LETTER FROM THE BOARD

before the Record Date). The Company will allot and issue 732,000,000 Rights Shares at the Subscription Price of HK\$2.2 per Rights Share. The estimated net proceeds from the Rights Issue will be approximately HK\$1,595.4 million. The Rights Issue is conditional on, among other things, the passing of the ordinary resolutions by the Independent Shareholders at the SGM to approve the Increase in Authorised Share Capital, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. At the SGM, the relevant resolutions approving the abovementioned proposals were duly passed by the Independent Shareholders by way of poll.

As at the date of the SGM, the Underwriter held 340,192,667 Shares (representing approximately 23.24% of the total number of Shares in issue), and the Underwriter and parties acting in concert with it (including Zhisheng) held an aggregate of 510,290,000 Shares (representing approximately 34.86% of the total number of Shares in issue). Mr. Liu, an executive Director, held 12,000,000 Shares (representing approximately 0.82% of the total number of Shares in issue). Each of the Underwriter, China Tian Yuan, Mr. Sun and Mr. Jia have executed the Irrevocable Undertakings in favour of the Company, details of which are set out in the paragraph headed “The Underwriting Agreement — Irrevocable Undertakings” below. China Aim has also executed the China Aim Undertaking, details of which are set out in the paragraph headed “Other undertakings” below. Mr. Liu, China Tian Yuan, China Aim, Mr. Jia, the Underwriter and parties acting in concert with it (including Zhisheng) who held 962,290,000 Shares in aggregate are interested in the Whitewash Waiver, they have abstained from voting on the resolutions at the SGM in relation to (i) the Rights Issue, (ii) the Underwriting Agreement and the transactions contemplated thereunder, and (iii) the Whitewash Waiver.

The purpose of this prospectus is to provide you with further information on, among other things, the Rights Issue, including procedures for acceptance, transfer and splitting of provisional allotments of the Rights Shares and application of excess Rights Shares, and certain financial information and offer information of the Group.

THE RIGHTS ISSUE

Rights Issue statistics

Basic of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date	:	1,464,000,000 Shares

LETTER FROM THE BOARD

Number of Rights Shares : 732,000,000 Shares (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date)

Subscription Price : HK\$2.2 per Rights Share with a nominal value of HK0.1 each

The net Subscription Price for each Rights Share is approximately HK\$2.18

Number of Shares in issue upon Completion : 2,196,000,000 Shares (further assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date)

Underwriter: : Youfu Investment Co., Ltd, a company wholly-owned by Mr. Sun and which owned 340,192,667 Shares as at the Latest Practicable Date

Outstanding Share Awards

As at the Latest Practicable Date, there were Outstanding Share Awards held by Mr. Liu, an executive Director, pursuant to which up to 48,000,000 Shares (representing approximately 3.28% of the existing issued share capital of the Company) may be issued upon certain vesting conditions being met. The relevant award Shares attached to such Outstanding Share Awards will be vested in tranches of 12,000,000 shares (representing approximately 0.82% of the existing issued share capital of the Company) per year. The next vesting date of the second tranche of award Shares in respect of the Outstanding Share Awards is 31 March 2018. For such reasons and having regard to the current timetable of the proposed Rights Issue, the total number of Rights Shares will not be affected by the Outstanding Share Awards.

Upon the Completion, it is expected that the number of award Shares attached to the Outstanding Share Awards would not be subject to any adjustment.

Other convertible securities

As at the Latest Practicable Date, save for the Outstanding Share Awards, there were no derivatives, outstanding convertible securities, options or warrants of the Company in issue which confer any right to subscribe for, convert or exchange into the Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date, the 732,000,000 Rights Shares proposed to be allotted and issued pursuant to the Rights Issue represent (i) 50% of the total number of Shares in issue in the Company as at the Latest Practicable Date; and (ii) approximately 33.33% of the total number of Shares in issue in the Company as enlarged by the issue of the Rights Shares.

The Subscription Price

The Subscription Price of HK\$2.2 per Rights Share will be payable in full when a Qualifying Shareholder accepts the relevant provisional allotments of the Rights Shares and, where applicable, applies for excess Rights Shares or when a renouncee of any provisional allotment of Rights Shares or a transferee of nil-paid Rights Shares applies for the relevant Rights Shares. The Subscription Price represents:

- (a) a discount of approximately 0.45% to the closing price of HK\$2.21 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of approximately 21.43% to the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on the Last Trading Day (the “**Last Trading Date Price**”);
- (c) a discount of approximately 21.43% to the closing price of HK\$2.80 per Share as quoted on the Stock Exchange on 30 August 2017 (being the last business day prior to the date of the Announcement);
- (d) a discount of approximately 22.04% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$2.82 per Share;
- (e) a discount of approximately 22.73% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$2.85 per Share;
- (f) a discount of approximately 15.38% to the theoretical ex-rights price of approximately HK\$2.60 per Share based on the Last Trading Date Price;

LETTER FROM THE BOARD

- (g) a premium of approximately 171.60% over the audited consolidated net asset value per Share as at 31 December 2016 of approximately HK\$0.81 (which is calculated based on the audited consolidated net asset value of the Group attributable to the owners of the Company as at 31 December 2016 of approximately HK\$1,167,378,000 and 1,440,000,000 Shares in issue as at 31 December 2016); and
- (h) a premium of approximately 165.06% over the unaudited consolidated net asset value per Share as at 30 June 2017 of approximately HK\$0.83 (which is calculated based on the unaudited consolidated net asset value of the Group attributable to the owners of the Company as at 30 June 2017 of approximately HK\$1,217,051,000 and 1,464,000,000 Shares in issue as at 30 June 2017).

The theoretical ex-rights price of approximately HK\$2.60 per Share (based on the Last Trading Date Price) represents a discount of approximately 7.14% to the Last Trading Day Price.

To ensure the terms of the Rights Issue, including the Subscription Price, are the best available terms, such terms were determined after arm's length negotiations between the Company and the Underwriter, after having taken into account the following factors:

- (a) in view of the persistent loss-making position of the Group, the fact that last year was the first year turning from loss-making to profit-making (excluding one-off exceptional gains), and the uncertainties stemming from the recent volatile market sentiment, it would be difficult to attract all the Qualifying Shareholders to reinvest in the Company through Rights Issue if the Subscription Price was not set at a discount to the prevailing market price of the Shares;
- (b) the need for setting the Subscription Price at a discount to the recent closing prices of the Shares in order to encourage the Qualifying Shareholders to subscribe for the Rights Shares thereby mitigating the underwriting risk to the Underwriter such that the Underwriter is willing to fully underwrite all the Rights Shares. This provides higher certainty to the Group to raise the necessary fund to cater for its capital needs for business development; and
- (c) the rights issue ratio was determined taking into account the size of fund raising required to satisfy the capital needs of the Group mentioned in the paragraphs headed "Business plans and reasons for the Rights Issue" and "Intended use of proceeds" in this section and the Subscription Price being set on the basis described above.

LETTER FROM THE BOARD

Despite the potential dilution effect of the Rights Issue on the shareholding interests of the Shareholders in the Company if such Shareholders do not take up their provisional allotments under the Rights Issue, the Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and the Rights Issue is in the interests of the Company and the Shareholders as a whole taking into account the above mentioned factors and that:

- (a) all Independent Shareholders had been given the opportunity to express their view on the terms of the Rights Issue and the Underwriting Agreement through their votes at the SGM;
- (b) the Rights Issue provides all Qualifying Shareholders an opportunity to subscribe for the Rights Shares for the purpose of maintaining their respective existing shareholding interests (through taking up their entitlements) or increasing their shareholding interests (through making excess applications) in the Company at lower price as compared to the current market prices of the Shares; and
- (c) those Qualifying Shareholders who do not wish to take up their entitlements in the Rights Issue are able to sell their entitled nil-paid Rights Shares in the market, while those who wish to increase their shareholding interests in the Company through the Rights Issue are able to acquire additional nil-paid Rights Shares in the market.

Conditions of the Rights Issue

The Rights Issue is conditional on, among other things, the passing of the ordinary resolutions by the Independent Shareholders at the SGM to approve the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, and the Whitewash Waiver. As at the Latest Practicable Date, the abovementioned condition had been fulfilled. Please refer to the paragraph headed “The Underwriting Agreement — Conditions” below for details of other conditions of the Underwriting Agreement.

Status of the Rights Shares

The Rights Shares, when allotted and fully-paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the fully-paid Rights Shares.

LETTER FROM THE BOARD

Basis of provisional allotments

The basis of the provisional allotments shall be one Rights Share for every two existing Shares held by the Qualifying Shareholders at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Acceptance time.

Qualifying Shareholders

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information purposes only, to the Excluded Shareholders.

To qualify for the Rights Issue, a Shareholder must be (a) a registered member of the Company at the close of business on the Record Date and (b) a Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company on the Record Date, investors whose Shares are held by their nominee(s) (or held in CCASS) must have lodged any transfers of the Shares (together with the relevant Share certificates) with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Thursday, 26 October 2017.

Rights of the Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

According to the register of members of the Company, as at the Latest Practicable Date, there was no Overseas Shareholder.

LETTER FROM THE BOARD

It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and/or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

Fractions of the Rights Shares

The Company will not provisionally allot and will not accept applications for any fractions of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number), and all nil-paid Rights Shares arising from such aggregation will be sold by the Company in the market and, if a premium (net of expenses and stamp duty) can be obtained, the Company will keep the net proceeds for its own benefit. Any unsold aggregate fractions of the nil-paid Rights Shares will be made available for excess application on the EAF by the Qualifying Shareholders.

Procedures for acceptance, transfer and splitting of provisional allotments of the Rights Shares

A PAL is enclosed with the Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Monday, 20 November 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**China HKBridge Holdings Limited — PAL Account**" and crossed "**Account Payee Only**".

LETTER FROM THE BOARD

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Monday, 20 November 2017, whether by the original allottee or any person to whom the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application under the EAFs by other Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 10 November 2017 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities legislations or other laws or regulations of any jurisdiction. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of the Prospectus Documents in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/her/its behalf an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If the Underwriter exercises the right to terminate the Underwriting Agreement at or before the Latest Termination Time or if the conditions of the Underwriting Agreement are not fulfilled or waived (as the case may be), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered address at their own risk as soon as practicable thereafter.

No receipt will be issued in respect of any application monies received.

For further details of the procedures for acceptance, transfer and splitting of provisional allotments of the Rights Shares, please refer to the PAL.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for (a) any unsold entitlements of the Excluded Shareholders, (b) any Rights Shares provisionally allotted but not taken up by other Qualifying Shareholders and (c) any unsold aggregate fractions of Rights Shares.

Application may be made by duly completing and signing the EAF (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the Latest Acceptance Time. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**China HKBridge Holdings Limited — EAF Account**" and crossed

LETTER FROM THE BOARD

“**Account Payee Only**”. The Board will allocate the excess Rights Shares (if any) at its discretion on a *pro rata* basis in proportion to the number of excess Right Shares being applied for under each application to the Qualifying Shareholders. No preference will be given to applications for topping up odd lot holdings to whole board lot holdings as the giving of such preference may potentially be abused by certain Shareholders by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result.

As mentioned in the paragraph headed “Qualifying Shareholders” above, Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually. For details of registration of the Shareholders on the register of members of the Company, please refer to the paragraph headed “Qualifying Shareholders” above.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Monday, 27 November 2017. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the amount tendered on application will be refunded in full without interest on or before Tuesday, 28 November 2017. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, cheques for the amount of the surplus application monies are also expected to be refunded to them without interest on or before Tuesday, 28 November 2017.

All cheques and cashier’s orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or cashier’s order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier’s order will be honoured on first presentation. If any cheque or cashier’s order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

LETTER FROM THE BOARD

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement at or before the Latest Termination Time or if the conditions of the Rights Issue are not fulfilled or waived (as the case may be), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

For further details of the procedures for excess application of the Rights Shares, please refer to the EAF.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Share certificates for the Rights Shares and refund cheques

Subject to fulfillment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Tuesday, 28 November 2017 to those entitled thereto by ordinary post at their own risks to their registered addresses.

Refund cheques in respect of the acceptance for the Rights Shares (in case of termination of the Rights Issue) or in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or before Tuesday, 28 November 2017 by ordinary post to the applicants at their own risk to their registered addresses.

Subscriber(s) will receive one share certificate for all the Rights Shares issued to him/her/it/them.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on 9:00 a.m. on Wednesday, 29 November 2017.

LETTER FROM THE BOARD

Application for listing of the Rights Shares

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

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

All necessary arrangements will be made to enable the Rights Shares (in both their nil-paid and fully paid forms) to be admitted into CCASS.

Both the nil-paid Rights Shares and the fully-paid Rights Shares will be traded in board lots of 2,000 Shares in the market. Dealing in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and other applicable fees and charges in Hong Kong.

THE UNDERWRITING AGREEMENT

After trading hours of the Stock Exchange on 31 August 2017, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue. The Rights Issue (excluding the Rights Shares subject to the Irrevocable Undertakings) will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement. Major terms of the Underwriting Agreement are set out below.

LETTER FROM THE BOARD

Date: 31 August 2017

Parties: (1) The Company; and

(2) the Underwriter, which owned 340,192,667 Shares as at the Latest Practicable Date, representing approximately 23.24% of the existing issued share capital of the Company. The Underwriter does not underwrite issues of securities in its ordinary course of business.

Total number of Underwritten Shares

The total number of Rights Shares agreed to be underwritten by the Underwriter is 441,903,667 Rights Shares (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date), being the total number of 732,000,000 Rights Shares less a total of 290,096,333 Rights Shares to be taken up by the Underwriter and China Tian Yuan under the Irrevocable Undertakings.

Commission

The underwriting commission under the Underwriting Agreement is 1% of the aggregate Subscription Price in respect of the Rights Shares agreed to be underwritten by the Underwriter. The commission rate was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, relationship between the Company and the Underwriter, the scale of the Rights Issue and the commission rates charged by underwriters in the recent market precedents of rights issue, which range from nil to approximately 3%. Given that the commission rate of 1% charged by the Underwriter falls within the range of the market precedents, the Directors consider that the underwriting commission rate is on normal commercial terms and fair and reasonable.

Conditions

The obligations of the Underwriter are conditional upon:

- (a) the Independent Shareholders passing the ordinary resolutions at the SGM to approve, among others, (i) the Increase in Authorised Share Capital; (ii) the Rights Issue; (iii) the Underwriting Agreement and the transactions contemplated thereunder; and (iv) the Whitewash Waiver;

LETTER FROM THE BOARD

- (b) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Termination Time;
- (c) the Executive granting the Whitewash Waiver to the Underwriter and such waiver not having been revoked or withdrawn, and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted;
- (d) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable laws or regulations to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (e) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date;
- (f) the Underwriter and China Tian Yuan providing their respective Irrevocable Undertakings and complying with and performing their respective obligations and undertakings thereunder;
- (g) the Underwriting Agreement not having been terminated by the Underwriter pursuant to the terms thereof on or before the Latest Termination Time; and
- (h) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Termination Time.

The Company shall use all reasonable endeavours to procure the fulfillment of the conditions set out in (a) to (h) above by the Latest Acceptance Time. The conditions set out in (a) to (e) above are incapable of being waived by the Underwriter or the Company. The Underwriter may waive the condition set out in (f) to (h) above in whole or in part by written notice to the Company. As at the Latest Practicable Date, conditions set out in (a), (c) and (f) as mentioned above have been fulfilled. Other conditions are expected to be fulfilled on or before the Prospectus Posting Date.

If the above conditions are not satisfied (or, if applicable, waived in whole or in part by the Underwriter) by the Latest Acceptance Time or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against the other party for cost, damages, compensation or otherwise (save in respect of any rights or obligations which may have accrued under the Underwriting Agreement prior to such termination).

LETTER FROM THE BOARD

Irrevocable Undertakings

As at the Latest Practicable Date, the Underwriter was interested in 340,192,667 Shares (representing approximately 23.24% of the total number of Shares in issue in the Company) while China Tian Yuan was interested in 240,000,000 Shares (representing approximately 16.39% of the total number of Shares in issue in the Company). Each of the Underwriter, China Tian Yuan, Mr. Sun and Mr. Jia have executed the Irrevocable Undertakings in favour of the Company, pursuant to which, among other things, (i) each of the Underwriter and China Tian Yuan has irrevocably undertaken to accept and lodge applications for their respective provisional allotments of Rights Shares (being an aggregate of 290,096,333 Rights Shares); (ii) each of the Underwriter and China Tian Yuan has irrevocably undertaken not to transfer, trade or otherwise deal in any of their Shares on or before the Record Date or when the Underwriting Agreement is otherwise terminated in accordance with the terms thereof, whichever is the earlier; and (iii) each of Mr. Sun and Mr. Jia has irrevocably undertaken to procure the performance of the obligations of the Underwriter and China Tian Yuan as mentioned above respectively.

The Irrevocable Undertakings shall terminate after the Record Date or the termination of the Underwriting Agreement (as the case may be).

OTHER UNDERTAKINGS

On 27 September 2017, China Aim executed the China Aim Undertaking pursuant to which China Aim has undertaken not to subscribe for the 100,000,000 Rights Shares to which it is entitled under the proposed Rights Issue, nor will it apply for any excess Rights Shares.

The Underwriter further undertakes to the Company that it shall use its best endeavours and take appropriate steps to ensure that the public float requirements under Rule 8.08(1) of the Listing Rules be fulfilled by the Company at all times upon Completion, including but not limited to entering into sub-underwriting agreement(s) to place out its Shares to maintain the minimum public float for the Shares.

INFORMATION OF THE UNDERWRITER AND PARTIES ACTING IN CONCERT WITH IT

The Underwriter is an investment holding company incorporated in the BVI and is wholly-owned by Mr. Sun, an Independent Third Party. Mr. Sun has more than 25 years of experience in corporate finance and import and export trading. He also has over 15 years of experience in real estate trading in the PRC. Mr. Sun is the brother-in-law of Ms. He, the sole shareholder of Zhisheng. Ms. He is the sister-in-law of Mr. Sun and therefore, the Underwriter, Mr. Sun, Zhisheng and Ms. He are parties acting in concert under the Takeovers Code.

LETTER FROM THE BOARD

In order to obtain the best available terms for the underwriting arrangement for the Rights Issue, the Company has approached the Underwriter and two other potential underwriters which are also the existing substantial shareholders of the Company regarding the proposed Rights Issue. In selecting an underwriter for the Rights Issue, the Board has considered, among other factors, the terms of the underwriting arrangement including but not limited to the underwriting commission proposed by other potential underwriters as well as their willingness and capacity to fully underwrite the Rights Shares. In view of the fact that only the Underwriter was willing to act as the underwriter for the Rights Issue under the current proposed terms and the relatively low underwriting commission rate offered by the Underwriter, the Board considers the underwriting arrangement offered by the Underwriter is best available option and is beneficial to the Company and the Shareholders as a whole.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY RESULTING FROM THE RIGHTS ISSUE

Set out below are the shareholding structures of the Company before and after the Rights Issue, assuming there is no change in the issued share capital of the Company since the Latest Practicable Date up to the Record Date:

	(i) As at the Latest Practicable Date		(ii) Immediately after Completion, assuming all the Rights Shares and excess Rights Shares not taken up by China Aim are subscribed by the Qualifying Shareholders (except for China Aim)		(iii) Immediately after Completion, assuming no Qualifying Shareholders (other than the Underwriter and China Tian Yuan) applied for their provisional allotments of Rights Shares and excess Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Underwriter <i>(Note 1)</i>	340,192,667	23.24	510,289,000	23.24	952,192,667	43.36
Zhisheng <i>(Note 1)</i>	<u>170,097,333</u>	<u>11.62</u>	<u>255,145,999</u>	<u>11.62</u>	<u>170,097,333</u>	<u>7.75</u>
Sub-total of the Underwriter and parties acting in concert	510,290,000	34.86	765,434,999	34.86	1,122,290,000	51.11
			<i>(Note 5)</i>			

LETTER FROM THE BOARD

	(i) As at the Latest Practicable Date		(ii) Immediately after Completion, assuming all the Rights Shares and excess Rights Shares not taken up by China Aim are subscribed by the Qualifying Shareholders (except for China Aim)		(iii) Immediately after Completion, assuming no Qualifying Shareholders (other than the Underwriter and China Tian Yuan) applied for their provisional allotments of Rights Shares and excess Rights Issue	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Connected persons:						
China Tian Yuan (Note 2)	240,000,000	16.39	360,000,000	16.39	360,000,000	16.39
Mr. Liu (Note 4)	12,000,000	0.82	18,000,000	0.82	12,000,000	0.55
China Aim, which is a connected person as at the Latest Practicable Date, and which will (having regard to the China Aim Undertaking) be treated a member of the public after Completion						
China Aim (Note 3)	200,000,000	13.66	200,000,000 (Note 6)	9.11 (Note 6)	200,000,000	9.11 (Note 7)
Public Shareholders	501,710,000	34.27	852,565,000 (Notes 5, 6)	38.82 (Note 6)	501,710,000	22.84 (Note 7)
Total	1,464,000,000	100.00	2,196,000,000	100.00	2,196,000,000	100.00

Notes:

- The Underwriter is wholly-owned by Mr. Sun. He is the brother-in-law of Ms. He Yeqin (賀葉芹) (“**Ms. He**”), the sole shareholder of Zhisheng. Ms. He is the sister-in-law of Mr. Sun. Therefore, the Underwriter, Mr. Sun, Zhisheng and Ms. He are parties acting in concert under the Takeovers Code.
- China Tian Yuan is wholly-owned by Ningxia Tian Yuan Manganese Industry Co., Ltd.* (寧夏天元錳業有限公司) (“**Ningxia Tian Yuan**”), which is in turn owned as to 99.62% by Mr. Jia, 0.19% by Ms. Dong Jufeng (東菊鳳) (“**Ms. Dong**”) and Ms. Zhu Fenglian (朱鳳蓮), respectively.

* For identification purpose only

LETTER FROM THE BOARD

3. China Aim is wholly-owned by Ms. Liu Hui (劉慧) (“**Ms. Liu**”).
4. Mr. Liu is an executive Director.
5. Assuming the aggregate fractions of one Rights Share will be sold in the market or taken by other Qualifying Shareholders in the public.
6. Assuming other Qualifying Shareholders in the public apply for the 100,000,000 excess Rights Shares to which China Aim is entitled but are not taken up by China Aim pursuant to the China Aim Undertaking. Further, as the shareholding of China Aim in the Company will fall below 10% immediately after Completion, it will no longer be a substantial shareholder of the Company and hence, not a connected person of the Company. In such connection, the total shareholding of all public shareholders (including China Aim) in the Company will become 47.93%.
7. Immediately after Completion, assuming no Qualifying Shareholders (other than the Underwriter and China Tian Yuan) applied for their provisional allotments of Rights Shares and excess Rights Issue, the shareholding of China Aim in the Company will fall below 10% and it will no longer be a substantial shareholder of the Company and hence, no longer be a connected person of the Company. In such connection, the total shareholding of all public shareholders (including China Aim) in the Company will become 31.95%. In any event, the Underwriter undertakes to maintain the minimum public float as mentioned in the paragraph headed “Other undertakings” above.

FUND RAISING EXERCISE IN THE PRECEDING 18-MONTH PERIOD

The table below sets out the fund raising activity conducted by the Company in the past 18 months immediately preceding the Latest Practicable Date:

Date of announcements	Fund raising activity	Date of completion	Net proceeds raised	Intended use of the proceeds	Actual use of the proceeds
26 February 2016, 1 March 2016 and 9 March 2016	Placing of 200,000,000 Shares at a placing price of HK\$0.925 per placing Share to China Aim	9 March 2016	Approximately HK\$182.5 million (after deducting the placing commission payable to the placing agent and other expenses incurred)	General working capital	As disclosed in the Company’s announcement dated 14 November 2016, approximately 20% of the net proceeds was used as the Group’s general working capital (including operating expenses) and approximately 80% was utilised for the Group’s financial investments or investments, which include both listed and unlisted equity and debt investments

LETTER FROM THE BOARD

Date of announcements	Fund raising activity	Date of completion	Net proceeds raised	Intended use of the proceeds	Actual use of the proceeds
14 November 2016 and 6 December 2016	Placing of 240,000,000 Shares at a placing price of HK\$2.0 per placing Share to China Tian Yuan (i.e. the placee)	6 December 2016	Approximately HK\$477.6 million (after deducting the commission payable to the placing agent and other expenses incurred)	General working capital, repayment of the Group's indebtedness and for the Group's other potential investments in the future	Approximately 85% of the net proceeds was used for purchase of listed shares in Hong Kong; approximately 14% was used as the Group's general working capital (including staff costs, rental expenses, professional fees, promotional expenses and other operating expenses); and the remaining 1% was used for the repayment of loan interests and purchases of fixed assets

Save as disclosed above, the Company has not conducted any other fund raising activities in the past 18 months immediately preceding the Latest Practicable Date.

BUSINESS TREND OF THE GROUP

The Group is principally engaged in the (a) manufacture and sale of a broad range of printed circuit boards (“PCB”), (b) carrying out of treasury investments, including investment in securities and other related activities, and (c) rendering of financial services including asset management, investment and other consultancy related services.

PCBs business

Comparing to the last six months' revenue in 2016, the Group's PCBs segment reported a stable growth in the first half of 2017. The Company was working hard to replace those less profitable products by those with better profit margin. The low margin products were mainly due to the acute price increase in core raw materials such as copper foil, copper laminates and even prepreg. Although the price increasing trend of those core materials has shown a slow down towards the end of the first six months of 2017, their price levels remain roughly 20% higher than those in same period of last year. This is the major reason why the PCBs segment still suffered a loss for the first half of 2017 despite its efforts to excel in the business. Looking forward, the PCBs segment is expecting more new customers with better margin orders would be secured in the second half of 2017 so that a turnaround can be realised.

LETTER FROM THE BOARD

Treasury investments

For treasury investments, during first half of 2017, the Group acquired a total of 90,000,000 shares in Crown International Corporation Limited (whose shares are listed on the Stock Exchange (stock code: 727)) at a consideration of HK\$99 million from an independent third party. As at 30 June 2017, the carrying value of all listed securities being held by the Group amounting to HK\$726.3 million. Further, the Group has made contributions to two private funds being launched by two independent third parties amounting to HK\$340 million and HK\$200 million, respectively. The Group has also completed a provision of financial assistance of HK\$224 million (equivalent to RMB200 million) to an independent third party for a term of 2 years, with an interest rate of 18% per annum.

Financial Services

The Group commenced its asset management business in 2016. During the first half of 2017, the Group acted as the general partner of five offshore private funds which were relevant to investments in relation to One Belt One Road (“OBOR”) policy promulgated by the Chinese government officials. Among these five offshore private funds, the Group made contributions of HK\$220 million each into two of these five offshore private funds. As at 30 June 2017, only five offshore private funds relating to OBOR were closed and the aggregate amount of assets under management was HK\$5 billion.

For investment and other consultancy related services, during the first half of 2017, the Group increased its headcounts with investment banking and corporate finance experience and exposures, in rendering investment referral and consultancy services to potential investors and had successfully secured several investment referral and consultancy agreements. This enables the Group to generate an additional source of revenue during such period. With the efforts of the Group’s senior management and execution teams, the Group achieved marked improvement in profitability and the enlargement in assets. This enables the Group to build its credential in the asset management and establishes a solid foundation for further development in the years to come. The diversity of the Board was also strengthened by appointing Mr. Mao Yumin (formerly the senior consultant of the Company) who has strong banking credentials as a non-executive Director and the enlargement of the management team. As at 30 June 2017, the Group had an aggregate amount of HK\$5 billion assets under management and had made a total contribution of HK\$440 million into this pool. As our asset management business is still in an infant stage, it requires further capital to grow and develop.

LETTER FROM THE BOARD

PROSPECTS

Surrounded by intense competition and replacing old business from the hard disk drive business with new business from other segments will take time to build up, the PCBs segment is likely to grow in slow momentum in the second half of 2017. Market conditions for the PCBs segment remain competitive and tough in the foreseeable future. The Group will actively explore more opportunities in asset management and other financial service related businesses by taking advantage of internationalisation of Renminbi, the stable international financial market in Hong Kong and those national strategies promulgated by the Chinese government officials. The Group is now considering applying for licenses for other regulated activities under the SFO and will continuously recruit additional professional individuals to grow the financial service businesses.

Following the strategic upgrade and the implementation of new strategic plan after the change in controlling shareholders, the Group has been actively diversifying its businesses and seeking opportunities for investments and growth. The Group will continue to identify investment and business development opportunities conservatively and seriously, to better utilise its capital to expand the scope of business, to explore potential projects and to acquire good quality assets so as to enhance its long-term return of the shareholders of the Company and act as the bridge connecting between China and Hong Kong and even the rest of the world (as reflected in the current name of the Company, which was adopted on 25 January 2017).

BUSINESS PLANS AND REASONS FOR THE RIGHTS ISSUE

As disclosed in the Company's circulars dated 5 July 2016 and 30 September 2016 respectively, the Company had its plans to manage funds, which were primarily relevant to high yield equity and debts products such as bonds, exchange traded funds, future options and warrants in Asia, with a focus on China-related listed stocks around the world. All these funds are also expected to be invested in growth stocks in other markets that stand to benefit from favourable demographic, technological and/or economic changes. The Company's targeted customers of asset management business are high net-worth individuals in the PRC, long-term investment entities including insurance companies in the PRC and investors investing through local banks and financial institutions in Hong Kong.

Initial capital requirement for the asset management business by that time was expected to be approximately HK\$2 billion. The Company also plans to use its internally generated resources including the yearly generated profit from the asset management business to support this business segment in achieving its target for assets under management of not less than HK\$10 billion in the initial stage, and to further broaden

LETTER FROM THE BOARD

its source of funds to debt and equity financing, project finance and private equity funds. Owing to the change in the current market sentiment, the Company had only achieved assets under management with a size of HK\$5 billion as at 30 June 2017.

In order to further strengthen and enlarge its assets under management size and develop the Group's existing asset management business, the Company intends to launch several private funds in the next 12 months so as to build another assets under management size of at least HK\$5 billion. The Group expects to inject at least HK\$700 million (representing approximately 14% of the expected assets under management size) as seed money into these three to five new funds, depending on the investors' responses towards these funds.

Furthermore, owing to the tightening of exchange control, investors in the PRC have difficulties in transmitting money outside the PRC for gaining better investment returns. In this connection, the Group established an investment platform in Shenzhen (the "**Shenzhen Platform**") in August 2017 for the development of equity investment fund, asset management fund and trust management business in the PRC. The Group has committed to contribute RMB20 million (equivalent to HK\$23.2 million) as the initial paid-up capital in the Shenzhen Platform and the Group also intends to use approximately HK\$350 million from the net proceeds of the Rights Issue to build assets under management size of at least approximately HK\$3 billion and/or make investments in high yield equity and debt products through the Shenzhen Platform.

The Group therefore requires additional capital to carry out the abovementioned business plans.

In determining the appropriate means to raise funds, the Board has considered and explored various financing methods before resolving to the Rights Issue, including but not limited to debt financing, bank borrowings and placing of new Shares.

The Company has discussed with and made enquires with various financial institutions on the possibility of obtaining debt financing and bank borrowings. However, the Board notes that debt financing and bank borrowings will lead to heavy interest burden and considers that further increase the financial leverage of the Group, debt or bank financings are not in the best interest of the Group. Also, offers from non-bank financial institutions would demand for a relatively high interest rate charge as well as payment for arrangement fee upfront which will erode the profitability of the Group. On the other hand, offers from banks either require the Group to provide relatively high percentage of security coverage or demand for an interest rate charge of at least 5% per annum.

LETTER FROM THE BOARD

Regarding placing of new Shares, the Board considers that placing of new Shares will only be available to certain places who are not necessarily existing Shareholders and will dilute the shareholding interests of the existing Shareholders. Furthermore, placing of new Shares cannot enable the Group to raise the required amount of funds for its forthcoming business development.

Taking into account the abovementioned, the Board considers that the issue of Rights Shares to existing Shareholders *pro rata* to their existing shareholdings would be a preferable means of fund raising as such fund raising method would not bring in additional financial burden to the Group, while it would at the same time strengthen the Group's capital base, enhance its financial position at a reasonable cost as well as provide the Qualifying Shareholders an equal opportunity to participate in the enlargement of the Company's capital base. A pre-emptive issue of Shares would enable the Qualifying Shareholders to maintain their respective *pro rata* shareholding interests in the Company and to continue to participate in the Group's future business development. The Board therefore considers that it is an opportune moment for the Company to strengthen its financial position and support the continuing development of the Group's current business activities, in particular, the asset management and financial service businesses through the Rights Issue after having considered various fund raising methods.

Based on the aforesaid, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS

It is estimated that the net proceeds of the Rights Issue will be approximately HK\$1,595.4 million (assuming no Shares are issued (other than the Rights Shares) or repurchased on or before the Completion), after deducting all necessary expenses for the Rights Issue, which include the relevant professional fees incurred by the Company. To strengthen the Group's financial position, the Company intends to apply the net proceeds from the Rights Issue as to:

- (1) approximately 70% to support and develop the Group's existing asset management businesses and the Shenzhen Platform, which amounts to approximately HK\$1,109.4 million. For the Group's existing asset management and financial service businesses in Hong Kong and in China, approximately two-thirds of such 70% of the net proceeds will be used as seed money for launching new funds in Hong Kong within the next 12 months and the remaining one-third will be used to finance the initial paid-up capital and future development of the Shenzhen Platform;

LETTER FROM THE BOARD

- (2) approximately 25% for the repayment of the existing indebtedness to a non-financial institution, which amounts to approximately HK\$406.3 million as at 30 June 2017. Such indebtedness carries an interest rate of 5% per annum and will fall due in December 2017. Further, the original currency of such indebtedness was in the form of RMB which may expose the Group to foreign exchange risk due to unforeseeable volatile fluctuations in RMB. Taking into account the relatively high interest rate, the due date of the debt and the fact that no further extension of the repayment date is allowed upon maturity and the potential foreign exchange risk, the Board considers that it is appropriate to repay the indebtedness owing to such non-financial institution by the net proceeds from the Rights Issue; and
- (3) approximately 5% as general working capital of the Group (including operating expenses such as staff costs, professional fees, marketing expenses), for maintaining the minimum liquid capital to carry out regulated activities under the SFO, and/or for future investment opportunities should suitable opportunities become available to the Group, which amounts to approximately HK\$79.7 million. As at the Latest Practicable Date, the Group had not identified any potential investment target.

As at the Latest Practicable Date, the Company and its Directors did not have any intention, arrangement, agreement, understanding, negotiation (concluded or otherwise) on any potential corporate action in the forthcoming 12 months. However, in the event the business plan does not roll out as planned resulting in a need for further capital for the Group's asset management business or when other investment opportunities arise, the Company may in the circumstances have the need to call for further fund-raising exercise to cater for the increased working capital or capital expenditure requirements. The Directors will ensure that all future fund raising activities, if any, will be conducted on terms that are justifiable taking into account the then circumstances, in the best interests of the Company and the Shareholders as a whole, and in compliance with the applicable Listing Rules.

LETTER FROM THE BOARD

CASH AND ASSETS POSITION OF THE GROUP

Set out below is an analysis of the Group's cash to assets ratio based on the latest published unaudited interim report of the Group as at 30 June 2017 prepared for illustrative purpose:

	As at 30 June 2017	Net proceeds from the Rights Issue	Pro forma balance assuming Completion
	<i>(Note 1)</i>		<i>(Note 2)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Bank balances and cash	401,254	1,595,400	1,996,654
Total assets	3,459,498	1,595,400	5,054,898
Cash to assets ratio			39.50%

Notes:

1. The balances as shown above are based on the unaudited interim report of the Group as at 30 June 2017, which have not been reviewed or audited by the Group's auditors.
2. The pro forma balances as shown above are prepared solely based on the unaudited bank balances and cash and the total assets of the Group as at 30 June 2017 and the net proceeds from the Rights Issue without taking into account other movements in these balances since 30 June 2017 to the Completion. Hence, the actual bank and cash balance and the total assets of the Group to be eventually recorded upon the Completion may be different from those amounts illustrated above.

WHITEWASH WAIVER

As at the Latest Practicable Date, the Underwriter alone holds 340,192,667 Shares, representing approximately 23.24% of the total number of Shares in issue in the Company. The Underwriter and parties acting in concert with it (including Zhisheng) hold an aggregate of 510,290,000 Shares, representing approximately 34.86% of the total number of Shares in issue in the Company.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Underwritten Shares. Assuming no Qualifying Shareholders (other than the Underwriter and China Tian Yuan) applied for their provisional allotments of the Rights Shares and excess Right Shares, the Underwriter will be required to take up all

LETTER FROM THE BOARD

the Underwritten Shares and the aggregate shareholding interest held by the Underwriter alone, and the Underwriter together with parties acting in concert with it would increase to approximately 43.36% and 51.11% of the issued share capital of the Company as enlarged by the issue of the Rights Shares immediately after the Completion, respectively. In such circumstances, the Underwriter would be required to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Underwriter and parties acting in concert with it) under Rule 26.1 of the Takeovers Code, unless the Whitewash Waiver is obtained from the Executive. In this regard, the Underwriter has made an application to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code.

On 19 October 2017, the Executive granted the Whitewash Waiver subject to (a) the issue of the new securities being approved by a vote of the Independent Shareholders at the SGM, to be taken on a poll; and (b) unless the Executive gives prior consent, no acquisition or disposal of voting rights being made by the Underwriter and parties acting with it (including Zhisheng) between the date of the Announcement and the date of Completion. As at the Latest Practicable Date, condition (a) as mentioned above had been fulfilled. In addition, the Underwriter and parties acting in concert with it (including Zhisheng) had not acquired or disposed of any voting rights of the Company during the Relevant Period. Accordingly, subject to fulfillment of condition (b), no mandatory general offer under Rule 26 of the Takeovers Code will be required to be made by the Underwriter for all the Shares not already owned or agreed to be acquired by the Underwriter and parties acting or presumed to be acting in concert with it as a result of the Rights Issue and the Underwriting Agreement.

As at the Latest Practicable Date, the Company did not believe that the Rights Issue will give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this prospectus, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible.

ADDITIONAL INFORMATION

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

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon, among other things, fulfilment or waiver (as the case may be) of the Conditions as set out under the paragraphs headed “The Rights Issue — Conditions of the Rights Issue” and “The Underwriting Agreement — Conditions” above.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Wednesday, 25 October 2017. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 7 November 2017 to Wednesday, 15 November 2017. If the conditions of the Rights Issue are not fulfilled (or, in respect of certain conditions, waived) on or before 4:00 p.m. on Tuesday, 21 November 2017 (or such later time and/or date as the Company and the Underwriter may determine), or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholder or other person contemplating dealing in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as the case may be) (which is expected to be on Tuesday, 21 November 2017), and any dealings in the Rights Shares in their nil-paid form from Tuesday, 7 November 2017 to Wednesday, 15 November 2017 (both days inclusive) will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating dealing in the securities of the Company are recommended to consult their own professional advisers.

By the order of the Board
China HKBridge Holdings Limited
Liu Tingan
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2014, 2015 and 2016 and the six months ended 30 June 2017 are disclosed in the following documents which have been published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hkbridge.com.hk):

- annual report of the Company for the year ended 31 December 2014 published on 22 April 2015 (pages 64 to 135);
- annual report of the Company for the year ended 31 December 2015 published on 22 April 2016 (pages 73 to 143);
- annual report of the Company for the year ended 31 December 2016 published on 25 April 2017 (pages 77 to 159); and
- interim report of the Company for the six months ended 30 June 2017 published on 8 September 2017 (pages 10 to 34).

2. INDEBTEDNESS

At the close of business on 30 September 2017, being the latest practicable date of the purpose of preparing this statement of indebtedness prior to the printing of this prospectus, the Group had total borrowings of approximately HK\$1,948.5 million as at 30 September 2017 comprising (i) bank borrowings of HK\$156.3 million, which were secured by certain buildings and payments for leasehold land held for own use under operating leases; the assignment of trade receivables of a subsidiary of the Group; and corporate guarantee of the Company; (ii) other loans from a non-bank financial institution of HK\$450 million, which were secured by certain listed securities being held by the Group, equity interest in an associate of the Group; and corporate guarantee of the Company; (iii) other loans due to independent third parties of HK\$1,056.4 million, which were unsecured except for an amount of HK\$198.9 million which was secured by certain equity interests in subsidiaries of manufacturing segment and corporate guarantee of the Company; (iv) a loan from a related company of HK\$200 million, which was unsecured; and (v) loans from a director of HK\$85.8 million, which were unsecured.

On 2 August 2017, HKBridge Special Situation Fund I SPV (the “**Fund Subsidiary**”), a wholly-owned subsidiary of HKBridge Special Situations Fund, L.P. (the “**Fund**”), entered into a note subscription agreement with Ample Key Investments Limited, (the “**Noteholder**”) an indirect wholly-owned subsidiary of Huarong Investment Stock Corporation Limited (a company listed on the Stock Exchange (stock code: 2277)) (“**Huarong Investment**”). Pursuant to such subscription agreement, the notes (the “**Notes**”) in an aggregate principal amount of HK\$210 million due in 2020 will be issued by the Fund Subsidiary to the Noteholder, which may be extendable for further two one-year periods at the request of the Fund Subsidiary and the acceptance of the majority noteholders. The Notes bear interest at a rate of 10% per annum which is payable every six months. The Notes are secured by several types of securities. The Fund is managed by HKBridge (Cayman) GP1 Limited (the “**General Partner**”), which is an indirect wholly-owned subsidiary of the Company (please refer to the announcement of Huarong Investment dated 2 August 2017 for details). As at 30 September 2017, an undertaking was executed by the General Partner, in favour of the Noteholder, which is an independent third party of the Group, in respect of the interest payment of HK\$21 million arising from the Notes.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, other payables and accruals in the ordinary course of business, as at the close of business on 30 September 2017, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, term loans debt securities, other similar indebtedness, finance lease or hire purchase commitment, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account (i) the internal resources available to the Group; (ii) the available banking facilities; and (iii) the estimated net proceeds from the Rights Issue, in the absence of unforeseen circumstances, the Group has sufficient working capital for at least 12 months from the date of this prospectus.

4. MATERIAL ADVERSE CHANGE

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 Group were made up, and up to the Latest Practicable Date.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED TANGIBLE ASSETS OF THE GROUP

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 June 2017.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgement and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is prepared based on the unaudited consolidated net tangible assets of the Group as at 30 June 2017, as extracted from the published interim report of the Company for the six months ended 30 June 2017, adjusted as described below:

	Unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2017 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders as if the Rights Issue had been completed on 30 June 2017 <i>HK\$'000</i>
Based on the issue of 732,000,000 Rights Shares at the Subscription Price of HK\$2.20 per Rights Share	1,215,485	1,595,400	2,810,885
Unaudited consolidated net tangible assets of the Group per Share as at 30 June 2017 <i>(Note 3)</i>	HK\$0.83		

**Unaudited
pro forma adjusted
consolidated net
tangible assets
of the Group
attributable to
the Shareholders
as if the Rights
Issue had been
completed on
30 June 2017**

Unaudited pro forma adjusted
consolidated net tangible assets of
the Group per Share immediately
after the Completion (*Note 4*)

HK\$1.28

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2017 are based on the unaudited consolidated net assets of the Group attributable to the Shareholders as at 30 June 2017 of approximately HK\$1,217,051,000 as disclosed in the 2017 Interim Report, less goodwill arising on acquisition of an associate of HK\$1,566,000, as extracted from the published unaudited interim report of the Company for the six months ended 30 June 2017.
2. The estimated net proceeds from the Rights Issue of approximately HK\$1,595,400,000 are based on the estimated gross proceeds to be raised by the issue of 732,000,000 Rights Shares at the subscription price of HK\$2.20 per Rights Share, after deduction of the estimated underwriting commission and related expenses incurred incidental to the Rights Issue of approximately HK\$15,000,000.
3. The unaudited consolidated net tangible assets of the Group per Share as at 30 June 2017 is calculated based on the unaudited consolidated net tangible assets of the Group of approximately HK\$1,215,485,000 and 1,464,000,000 Shares in issue as at 30 June 2017.
4. The unaudited pro forma adjusted consolidated net assets of the Group per Share after Completion is based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders of approximately HK\$2,810,885,000 and 2,196,000,000 Shares in issue, which comprise (i) 1,464,000,000 Shares in issue as at 30 June 2017; and (ii) 732,000,000 Rights Shares to be issued upon the Completion.
5. No adjustment has been made to the unaudited pro forma financial information of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2017.

B. REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report from BDO Limited, the independent reporting accountants, in respect of the unaudited pro forma financial information of the Group as set out in this appendix and prepared for the sole purpose of inclusion in this prospectus.



Tel : +852 2218 8288
Fax: +852 2815 2239
www.bdo.com.hk

25th Floor Wing On Centre
111 Connaught Road Central
Hong Kong

電話 : +852 2218 8288
傳真 : +852 2815 2239
www.bdo.com.hk

香港干諾道中111號
永安中心25樓

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT
ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL
INFORMATION****To the directors of China HKBridge Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China HKBridge Holdings Limited (the “**Company**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of consolidated net tangible assets of the Company as at 30 June 2017 and related notes as set out on pages II-1 and II-2 of Appendix II of the Company’s prospectus dated 3 November 2017 (the “**Prospectus**”) in connection with the proposed rights issue on the basis of one rights share for every two existing shares of the Company (the “**Rights Issue**”). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages II-1 and II-2 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Rights Issue on the Group’s consolidated financial position as at 30 June 2017 as if the Rights Issue had taken place at 30 June 2017. As part of this process, information about the Group’s consolidated financial position has been extracted by the directors of the Company from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2017, on which no audit or review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 June 2017 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited

Certified Public Accountants

Hong Kong

3 November 2017

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

Set out below are the authorised and issued share capital of the Company (a) as at the Latest Practicable Date; and (b) immediately after Completion (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to Completion):

(a) As at the Latest Practicable Date

<i>Authorised:</i>	<i>HK\$</i>
<u>5,000,000,000</u> Shares	<u>500,000,000</u>
<i>Issued and fully paid:</i>	
<u>1,464,000,000</u> Shares	<u>146,400,000</u>

(b) Immediately after Completion (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date up to Completion)

<i>Authorised:</i>	<i>HK\$</i>
<u>5,000,000,000</u> Shares	<u>500,000,000</u>
<i>Issued and fully paid:</i>	
1,464,000,000 Shares in issue as at the Latest Practicable Date	146,400,000
<u>732,000,000</u> Rights Shares to be allotted and issued under the Rights Issue	<u>73,200,000</u>
<u>2,196,000,000</u> Shares in issue immediately after Completion	<u>219,600,000</u>

All the Shares rank *pari passu* with each other in all respect including the rights as to voting, dividends and return of capital.

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of such Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the fully-paid Rights Shares.

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought, on any other stock exchange.

As at the Latest Practicable Date, there is no arrangement under which future dividends are or will be waived or agreed to be waived.

The Company had not issued any Shares since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to the Latest Practicable Date.

As at the Latest Practicable Date, save for the Outstanding Share Awards disclosed in the paragraph headed “The Proposed Rights Issue – Outstanding Share Awards” in the letter from the Board contained in this prospectus, the Company did not have any outstanding options, derivatives, warrants or securities which were convertible or exchangeable into Shares.

3. DIRECTORS AND COMPANY SECRETARY OF THE COMPANY

Set out below are the particulars and biographies of the existing Directors and qualifications of the company secretary of the Company:

(a) Particulars of the Directors of the Company

Name	Address
<i>Executive Directors</i>	
Mr. Liu Tingan (<i>Chairman and Chief Executive Officer</i>)	Flat A, 47/F Block 2 The Victoria Towers 188 Canton Road Tsim Sha Tsui, Kowloon Hong Kong
Mr. Cheok Ho Fung (<i>Deputy Chairman</i>)	House 7 Las Pinadas 33 Shouson Hill Road Shouson Hill Hong Kong
<i>Non-executive Director</i>	
Mr. Mao Yumin	Flat D,41/F Block T3 Sorrento 1 Austin Road West Tsim Sha Tsui, Kowloon Hong Kong
<i>Independent non-executive Directors</i>	
Mr. Ng Man Kung	Flat D, 5/F Ewan Court 54-56 Kennedy Road, Wan Chai Hong Kong
Dr. Ngai Wai Fung	Flat A, 26/F Wah Shan Mansion 17 Taikoo Shing Road Quarry Bay, Hong Kong

Name	Address
Mr. Lau Fai Lawrence	Flat C, 47/F Block T5 Grand Waterfront 38 San Ma Tau Street, To Kwa Wan Kowloon Hong Kong

(b) Biographies of the Directors

Executive Directors

Mr. Liu Tingan, aged 55, is an executive Director, the chairman of the Board, the chief executive officer of the Company and the chairman of the executive committee of the Board (“**Executive Committee**”) since 22 March 2016. Since his appointment, Mr. Liu is responsible for the overall strategic and business development of the Group. Mr. Liu graduated from the Jiangxi University of Finance and Economics, China with a bachelor’s degree in Economics in 1983. He obtained a master’s degree in Economics at Renmin University of China in 1987. Mr. Liu has over 30 years of experience in finance management.

Mr. Liu was the managing director and chief investment officer of Reorient Financial Group Limited. Mr. Liu was also the managing director of Reorient Global Limited (being a subsidiary of Reorient Group Limited (a company listed on the Stock Exchange (stock code: 0376))) from July to December 2015. He was the deputy chairman and president of China Life Insurance (Overseas) Company Limited from June 2008 to March 2015. He was a non-executive director of Sunshine Oilsands Limited (a company listed on the Stock Exchange (stock code: 2012)) from February 2011 to June 2015 during which he was the chairman of the board of directors from November 2014 to June 2015. Mr. Liu worked at China Life Insurance Company Limited (“**China Life**”) (a company listed on the Stock Exchange (stock code: 2628)) and was the board secretary general and spokesman of China Life between November 2003 and May 2008. He was the general manager of the investment centre of former China Life between September 2000 and May 2004. Mr. Liu was the president of Guangzhou Branch and Assistant President of Hainan Development Bank between December 1994 and January 2000. He was the division chief of the State Commission for Economic Reforms of the PRC between July 1987 and December 1994. He has been the deputy chairman

of Hong Kong Institute of Directors since 2014 and a member of Insurance Advisory Committee of the Government of HKSAR since 2010. Mr. Liu was a member of Financial Services Development Council of the Government of HKSAR from 2013 to January 2017, a member of the Hong Kong — Taiwan Business Co-operation Committee of the Hong Kong Trade Development Council from 2012 to 2016 and a member of the Listing Committee of the Stock Exchange from 2010 to 2015. From 2008 to 2015, he was the executive director of the Hong Kong Chinese Enterprises Association. Mr. Liu was awarded the “2013 Outstanding Leaders Award” by Hong Kong’s Capital Magazine in 2014, the “Director of the Year Award” by the Hong Kong Institute of Directors and Winner of China’s “Top 10 Economic Talents Special Award 2009” both in 2009.

Mr. Cheok Ho Fung, aged 65, is an executive Director, deputy chairman of the Board and a member of the Executive Committee. He is also the founder of the Group. Mr. Cheok has over 30 years of experience in the printed circuit boards (“PCBs”) industry and is actively in search for business development, capital investment and joint venture opportunities for manufacturing segment and also involved actively in other joint ventures such as real estates development in China, and high-tech products. Mr. Cheok had held the positions of financial controller and various management positions in different multinational companies involved in computer related products, application systems, motor vehicles and agricultural equipment, ship repairing and oil-rig construction, business-form printing and PCBs manufacturing. Mr. Cheok has been a fellow member of the Association of Chartered Certified Accountants since 1980, a fellow member of the Chartered Institute of Management Accountants since 1981 and the Hong Kong Institute of Certified Public Accountants since 1990.

Non-executive Director

Mr. Mao Yumin, aged 62, joined the Group on 10 March 2017 as a non-executive Director. He received his bachelor’s degree in finance from Jiangxi University of Finance and Economics in the People’s Republic of China in 1983 and completed the Program for Management Development (the 70th Session) in Graduate School of Business Administration of Harvard University in 1995. He has over 30 years of experience in the banking and financial sector. Prior to Mr. Mao’s retirement from China Construction Bank in May 2016, he was the executive director and the chief executive officer of China Construction Bank (Asia) from July 2013 to May 2016; he was the chief executive of China Construction Bank, Hong Kong Branch from April 2011 to May 2016; the chief investment officer of China Construction Bank from

September 2007 to March 2011; the non-executive director and the chairman of China Construction Bank (London) from January 2009 to June 2011; and the executive director and the vice chairman of China Construction Bank (Asia) from September 2007 to March 2011. From March 2011 to January 2017, he served as a non-executive director of China Construction Bank International (Holdings) Limited.

Since June 2016, Mr. Mao has served as a non-executive director of JiangSu Zeyun Pharmaceutical Co., Ltd (江蘇知原藥業有限公司). Since July 2016, Mr. Mao has also served as an independent director of each of China Galaxy International Financial Holdings Limited, a licensed corporation to conduct regulated activities under the SFO and China Life Insurance (Overseas) Company Limited, a corporation principally engaged in the provision of life insurance, investment and provident fund services. Mr. Mao has also served as a non-executive director of China Construction Bank (Asia) Corporation Limited since August 2016. Mr. Mao acted as a non-executive Director of Kong Sun Holdings Limited (stock code: 295) from 13 April 2017 to 26 May 2017, and an executive director of Extrawell Pharmaceutical Holdings Limited (a company listed on the Stock Exchange (stock code: 858)) between June 2001 and December 2013. Mr. Mao was the executive director and chief executive officer of Shanghai Aijian Corporation Limited from June 2006 to July 2007 (a company listed on the Shanghai Stock Exchange (stock code: 600643)). He was the senior vice president and the executive director of Cathay International Holdings Limited (a company listed on the London Stock Exchange (stock code: CTI)), from May 2003 to June 2006. He was the chief executive of China Construction Bank, Hong Kong Branch from March 1997 to March 2003 and was the general manager of International Department of China Construction Bank head office from May 1994 to December 1996.

Independent non-executive Directors

Mr. Ng Man Kung, aged 66, has been an Independent non-executive Director, since 22 March 2016. Mr. Ng graduated from the Hong Kong Polytechnic University with an attendance certificate in banking. Mr. Ng has over 28 years of management experience in the banking industry. He had worked as a business consultant at China Orient Asset Management (International) Holding Limited, a company principally engaged in investment, from January 2014 to April 2015. He worked at Chiyu Banking Corporation Ltd. (“**Chiyu**”) from July 1969 to December 2012, and was the chief executive of Chiyu from April 1992 to July 2012. Mr. Ng was an honorary president of the 37th Chinese Bankers Club, Hong Kong, a member of the Council of Hong

Kong Polytechnic University from April 1999 to March 2003 and a member of the 10th Fujian Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十屆福建省委員會委員). Mr. Ng has been an independent non-executive director of each of the following companies which are listed on the Stock Exchange: Fujian Holdings Limited (stock code: 181) since June 2014, ELL Environmental Holdings Limited (stock code: 1395) since September 2014, Global Tech (Holdings) Limited (stock code: 143) since March 2016, Shanghai Zendai Property Limited (stock code: 755) since May 2017 and Roma Group Limited (stock code: 8072) since August 2017.

Dr. Ngai Wai Fung, aged 55, has been an independent non-executive Director since 22 March 2016. He obtained a Doctoral Degree in Finance at Shanghai University of Finance and Economics in 2011 and received a Master's Degree in Corporate Finance from Hong Kong Polytechnic University in 2002, a Master's Degree in Business Administration from Andrews University of Michigan in 1992 and a Bachelor's Degree in Laws at University of Wolverhampton in 1994. Dr. Ngai is a fellow of the Association of Chartered Certified Accountants in the United Kingdom, a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Institute of Chartered Secretaries and Administrators, a fellow of the Hong Kong Institute of Chartered Secretaries, a fellow of Hong Kong Institute of Directors and a member of Hong Kong Securities and Investment Institute.

Dr. Ngai is the chief executive officer of SW Corporate Services Group Limited, a specialty company secretarial, corporate governance and compliance services provider to companies in pre-IPO and post-IPO stages. Prior to that, he was the director and head of listing services of an independent integrated corporate services provider. He has over 20 years of senior management experience including acting as the executive director, chief financial officer and company secretary, most of which are in the areas of finance, accounting, internal control and regulatory compliance, corporate governance and secretarial work for listed issuers including major red chips companies. He had led or participated in a number of significant corporate finance projects including listings, mergers and acquisitions as well as issuance of debt securities. Dr. Ngai is the past president of Hong Kong Institute of Chartered Secretaries, a member of the Qualification and Examination Board of the Hong Kong Institute of Certified Public Accountants, the Adjunct Professor of Law of Hong Kong Shue Yan University and a member of the General Committee of the Chamber of Hong Kong Listed Companies. Dr. Ngai was appointed by the Chief Executive of the Hong Kong Special Administrative Region as a

member of the Working Group on Professional Services under the Economic Development Commission since 2013. Dr. Ngai was appointed by Ministry of Finance of the People's Republic of China as Finance Expert Consultant in June 2016.

Dr. Ngai is currently an independent non-executive director of the following companies which are listed on the Stock Exchange: BBMG Corporation (English translation denotes for identification purposes only) (stock code: 2009) (“**BBMG Corporation**”) which is also listed on the Shanghai Stock Exchange (stock code: 601992), BaWang International (Group) Holding Limited (stock code: 1338), Bosideng International Holdings Limited (stock code: 3998), Biostime International Holdings Limited (stock code: 1112), Beijing Capital Jada Limited (stock code: 1329), Powerlong Real Estate Holdings Limited (stock code: 1238), SITC International Holdings Company Limited (stock code: 1308), TravelSky Technology Limited (stock code: 696), and Yangtze Optical Fibre and Cable Joint Stock Limited Company (stock code: 6869). Dr. Ngai is also an independent director of LDK Solar Co., Ltd (whose American depository shares were listed on the New York Stock Exchange, now are currently listed on OTC Pink Limited Information (stock code: LDKYQ)) and SPI Energy Co. Limited (a company listed on Nasdaq Stock Market (stock code: SP1)). He used to be an independent non-executive director of the following companies which are listed on the Stock Exchange: China Railway Construction Corporation Limited (stock code: 1186) which is also listed on the Shanghai Stock Exchange (stock code: 601186) from November 2007 to October 2014, Sany Heavy Equipment International Holdings Company Limited (stock code: 631) from November 2009 to December 2015, China Coal Energy Company Limited (stock code: 1898) which is also listed on the Shanghai Stock Exchange (stock code: 601898) from 23 December 2010 to 26 June 2017 and China Railway Group Limited (stock code: 390) which is also listed on the Shanghai Stock Exchange (stock code: 601390) from 26 June 2014 to 28 June 2017, respectively.

Mr. Lau Fai Lawrence, aged 45, has been an independent non-executive Director since 22 March 2016. Mr. Lau is currently a practising certified public accountant in Hong Kong and a fellow member of the Association of Chartered Certified Accountants in the UK. Mr. Lau graduated from The University of Hong Kong with a bachelor's degree in business administration in 1994 and obtained a master's degree in corporate finance from Hong Kong Polytechnic University in 2007. Mr. Lau joined BBMG Corporation on 6 August 2008 as joint company secretary and qualified accountant. Since 26 October 2012, Mr. Lau serves as the company secretary of BBMG Corporation. Before joining BBMG Corporation, Mr. Lau has served as the group financial

controller and qualified accountant of Founder Holdings Limited (a company listed on the Stock Exchange (stock code: 418)) and PKU Resources (Holdings) Company Limited (previously known as EC-Founder (Holdings) Company Limited) (a company listed on the Stock Exchange (stock code: 618)). Mr. Lau is an executive director of Future World Financial Holdings Limited (previously known as Central Wealth Financial Group Limited) (a company listed on the Stock Exchange (stock code: 572)), a non-executive director of Alltronics Holdings Limited (a company listed on the Stock Exchange (stock code: 833)), and an independent non-executive director of Primeview Holdings Limited (previously known as Artini China Co. Ltd.) (a company listed on the Stock Exchange (stock code: 789)) and Titan Petrochemicals Group Limited (a company listed on the Stock Exchange (stock code: 1192)), respectively.

(c) **Qualifications of the company secretary**

Mr. Leung King Yu is the chief financial officer and company secretary of the Company. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, respectively.

4. **DISCLOSURES OF INTERESTS**

(a) **Directors' and chief executive's interests in the Company**

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

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of shareholding (%) (Note 2)
Mr. Liu	Beneficial owner	12,000,000 (L)	0.82

Notes:

1. The letter “L” denotes long position.
2. The percentage shareholdings are calculated based on the issued share capital of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company had any interest or short position in any Shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; and (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders and other persons’ interests in the Shares and underlying Shares

Save as disclosed in the paragraph headed “Directors’ and chief executive’s interests in the Company” above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

Name	Nature of interest	Number of Shares held	Approximate percentage of shareholding (%) (Note 2)
The Underwriter	Beneficial owner	952,192,667 (L) (Note 3)	65.04

Name	Nature of interest	Number of Shares held	Approximate percentage of shareholding (%) (Note 2)
Mr. Sun (Note 4)	Interests of controlled corporation	952,192,667 (L)	65.04
Zhisheng	Beneficial owner	170,097,333 (L)	11.62
Ms. He (Note 5)	Interests of controlled corporation	170,097,333 (L)	11.62
China Aim	Beneficial owner	200,000,000 (L)	13.66
Ms. Liu (Note 6)	Interests of controlled corporation	200,000,000 (L)	13.66
China Tian Yuan	Beneficial owner	360,000,000(L) (Note 7)	24.59
Ningxia Tian Yuan (Note 8)	Interests of controlled corporation	360,000,000 (L)	24.59
Mr. Jia (Note 8)	Interests of controlled corporation	360,000,000 (L)	24.59
Ms. Dong Jufeng (Note 8)	Interests of spouse	360,000,000 (L)	24.59

Notes:

- The letter "L" denotes long position.
- The percentage shareholdings are calculated based on the issued share capital of the Company as at the Latest Practicable Date.
- The Shares comprise (i) 340,192,667 Shares held by the Underwriter as at the Latest Practicable Date; (ii) 170,096,333 Rights Shares undertaken to be taken up by the Underwriter pursuant to the Irrevocable Undertaking; and (iii) 441,903,667 Rights Shares agreed to be underwritten by the Underwriter pursuant to the Underwriting Agreement.

4. Mr. Sun is the beneficial owner of the entire issued share capital of the Underwriter and is deemed to be interested in the 952,192,667 Shares in which the Underwriter has interest by virtue of the SFO.
5. Ms. He is the beneficial owner of the entire issued share capital of Zhisheng and is deemed to be interested in the 170,097,333 Shares in which Zhisheng has interest by virtue of the SFO.
6. Ms. Liu is the beneficial owner of the entire issued share capital of China Aim and is deemed to be interested in the 200,000,000 Shares in which China Aim has interest by virtue of the SFO.
7. The Shares comprise (i) 240,000,000 Shares held by China Tian Yuan as at the Latest Practicable Date and (ii) 120,000,000 Rights Shares undertaken to be taken up by China Tian Yuan pursuant to the Irrevocable Undertaking.
8. The shares of China Tian Yuan are wholly-owned by Ningxia Tian Yuan whose shares are 99.62% held by Mr. Jia. Ms. Dong is the spouse of Mr. Jia. Thus, Mr. Jia, Ms. Dong and Ningxia Tian Yuan are deemed to be interested in the 360,000,000 shares in which China Tian Yuan has interest by virtue of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, beneficially interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

As at the Latest Practicable Date, none of the Directors was a director or employee of the above companies which have an interest or short position in the Shares and underlying Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, all the Directors had entered into employment agreement or appointment letters with the Company. Other than the above, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since 31 December 2016 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Save for the Underwriting Agreement, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group as at the Latest Practicable Date.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective close associates (as defined under the Listing Rules) had any interest in any business which competes or might compete with the business of the Group.

8. MATERIAL CONTRACTS

Save as disclosed below, there were no material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) which had been entered into by any member of the Group during the period commencing from the two years immediately preceding the date of the Announcement and up to the Latest Practicable Date:

- (a) the deed of novation dated 16 November 2015 entered into among Mr. Cheok Ho Fung (“**Mr. Cheok**”, an executive Director), the Company (formerly known as “Topsearch International Holdings Limited”) and Topsearch Printed Circuits (HK) Limited (“**Topsearch Printed Circuits (HK)**”, an indirectly wholly-owned subsidiary of the Company), pursuant to which the Company has conditionally agreed to assign and novate, and Topsearch Printed Circuits (HK) has conditionally agreed to assume and perform all rights and obligations of the Company regarding the aggregate sum that is due and owing for the unsecured loan advanced by Mr. Cheok to the Company, which is interest-bearing at 7% and is repayable on 2 July 2016 (please refer to the announcements of the Company dated 24 November 2015 and 29 December 2015 for details);

- (b) the disposal agreement dated 16 November 2015 entered into between Topsearch Printed Circuits (HK) and Toprich Bravo Limited (“**Toprich Bravo**”), pursuant to which Topsearch Printed Circuits (HK) conditionally agreed to sell and Toprich Bravo conditionally agreed to purchase, the entire issued share capital of Citilite Pride Limited (“**Citilite**”) and the shareholder’s loan owed by Citilite and its subsidiary, Citilite Electronics (Shenzhen) Limited* (千傲電子(深圳)有限公司) (collectively, the “**Citilite Group**”) to Topsearch Printed Circuits (HK), at a total consideration of HK\$77,015,270 and a supplemental agreement dated 11 December 2015 (please refer to the announcements of the Company dated 24 November 2015, 11 December 2015 and 29 December 2015 for details);
- (c) the disposal agreement dated 16 November 2015 entered into between Topsearch Printed Circuits (HK) and Top Harvest International Investment Limited (“**Top Harvest**”), pursuant to which Topsearch Printed Circuits (HK) conditionally agreed to sell and Top Harvest conditionally agreed to purchase, the entire issued share capital of Topsearch Tongliao (BVI) Limited and the shareholder’s loan owed by the Topsearch Tongliao (BVI) Limited and Topsearch Tongliao (PRC) Limited* (至卓飛高線路板(通遼)有限公司) to Topsearch Printed Circuits (HK), at a total consideration of HK\$110,269,096 (please refer to the announcements of the Company dated 24 November 2015 and 29 December 2015 for details);
- (d) the placement agreement dated 26 February 2016 entered into between the Company and Prudential Brokage Limited for the allotment and issue of up to 200,000,000 placing shares at a price of HK\$0.925 per placing share (please refer to the announcements of the Company dated 26 February 2016, 1 March 2016 and 9 March 2016 for details);
- (e) the sales and purchase agreement dated 5 August 2016 entered into between 至卓飛高企業管理諮詢服務(韶關)有限公司 (“**Topsearch Corporate Management**”, a wholly-owned subsidiary of the Company) (as purchaser) and Mr. Zhou Bingliang (周兵良) (as vendor) to acquire 45% equity interest in Shenzhen Shengda Qianhai Supply Chain Limited* (深圳市盛達前海供應鏈有限公司) (“**Shenzhen Shengda**”) at a consideration of RMB9 million (equivalent to approximately HK\$10.44 million), and a debt capital agreement dated the same day and entered into between the Topsearch Corporate Management, Shenzhen Shengda and Mr. Zhou Bingliang pursuant to which the Topsearch Corporate Management agreed to provide debt capital of RMB121.5 million (equivalent to approximately HK\$140.94 million) to Shenzhen Shengda for a term of 18 months (please refer to the announcement of the Company dated 5 August 2016 for details);

* For identification purpose only

- (f) the cooperation and investment framework agreement dated 26 September 2016 and entered into between the Company and JIANGSU Provincial Construction Group Co., Ltd. (江蘇省建築工程集團有限公司) (the “**JV Partner**”) in relation to, among others, the establishment of the Jade Summit Holdings Limited (綠領控股有限公司) (“**Jade Summit**”) which is owned as to 75% by the JV Partner and 25% by the Company for the purpose of the acquisition of a development project in Wuxi, the People’s Republic of China (please refer to the announcement of the Company dated 18 October 2016 for details);
- (g) the sales and purchase agreement dated 18 October 2016 entered into between Jade Summit, the Company and Mr. Chen Zhenghua (being guarantors of Jade Summit and Nan Fung Investment China Holdings Limited), and Nan Fung Investment China Holdings Limited (“**Nan Fung**”) (as vendor) pursuant to which the entire equity interest in (and the shareholder’s loans to) Vastline Limited (麗廣有限公司) will be sold by Nan Fung to Jade Summit, at the purchase price in the sum of RMB590 million (equivalent to HK\$678.5 million) (please refer to the announcements of the Company dated 18 October 2016, 28 October 2016 and 4 November 2016 for details);
- (h) the placement agreement dated 14 November 2016 entered into between the Company and Tian Yuan Finance Limited (天元金融有限公司) for the allotment and issue of up to 240,000,000 placing shares at a price of HK\$2.0 per placing share (please refer to the announcements of the Company dated 14 November 2016 and 6 December 2016 for details);
- (i) an supplemental agreement to the joint venture framework agreement dated 22 December 2016 entered into between the Company and the JV Partner under which the Company, through its indirect wholly-owned subsidiary, Perfect Stage Investment Limited, agreed to acquire additional equity interests of 2.5% in Jade Summit from the JV Partner at a consideration of approximately RMB16.3 million (equivalent to approximately HK\$18.3 million) (please refer to the announcement of the Company dated 22 December 2016 for details); and
- (j) the Underwriting Agreement.

9. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

10. EXPERT AND CONSENT

Set out below are the qualifications of the expert who have given opinion, letter or advice in this prospectus:

Name	Qualification
BDO Limited	certified public accountants

As at the Latest Practicable Date, BDO Limited did not have any direct or indirect interests in any assets which had been, since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, BDO Limited was not interested in any securities in any members of the Group or had any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

BDO Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter and/or report and/or reference to its name in the form and context in which they respectively appear.

11. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office:	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
Head office and principal place of business in Hong Kong:	Room 3601-02 Bank of America Tower 12 Harcourt Road, Central Hong Kong
Underwriter:	Youfu Investment Co., Ltd NovaSage Chambers, Wickham's Cay II, Road Town, Tortola, BVI

Legal advisers to the Company to as to Hong Kong law:	Chiu & Partners 40th Floor, Jardine House 1 Connaught Place Hong Kong
Auditors and reporting accountants:	BDO Limited Certified Public Accountants 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong
Principal banker:	China Construction Bank Shaoguan Subbranch No. 6 Guangxiao Road Shaoguan, Guangdong The People's Republic of China
Bermuda principal share registrar and transfer office:	Estera Management (Bermuda) Limited Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
Hong Kong branch share registrar and transfer office:	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives:	Mr. Liu Flat A, 47/F Block 2 The Victoria Towers 188 Canton Road Tsim Sha Tsui, Kowloon Hong Kong Mr. Leung King Yu Flat C 27/F T2 Island Resort 28 Siu Sai Wan Road Hong Kong

12. EXPENSES

The expenses in connection with the Rights Issue, including legal, independent financial advisor, financial, other professional advisory fees, printing and translation expenses, registration and statutory fees are estimated to be approximately HK\$5.3 million, which are payable by the Company. Underwriting commission of approximately HK\$9.7 million is payable to the Underwriter.

13. BINDING EFFECT

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

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

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “Expert and consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (WUMP) Ordinance.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (except Saturdays, Sundays and public holidays) at the head office and principal place of business of the Company in Hong Kong and from the date of this prospectus up to and including the date which is 14 days from the date of this prospectus:

- (a) the bye-laws of the Company;
- (b) the memorandum and articles of association of the Underwriter;
- (c) annual report of the Company for each of the years ended 31 December 2015 and 2016;
- (d) interim report of the Company for the six months ended 30 June 2017;

- (e) the report from BDO Limited on the unaudited pro forma financial information of the Group, the text of which is set out in section B of Appendix II to this prospectus;
- (f) the material contracts referred to in the paragraph headed “Material contracts” in this Appendix;
- (g) the written consent referred to in the paragraph headed “Expert and consent” in this Appendix;
- (h) the Circular; and
- (i) the Prospectus.