
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **CHINA INVESTMENTS HOLDINGS LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



CHINA INVESTMENTS HOLDINGS LIMITED

中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

MAJOR TRANSACTION ACQUISITION OF PROPERTY

A notice convening a special general meeting of CHINA INVESTMENTS HOLDINGS LIMITED to be held at Luxembourg Room II, 3rd Floor, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 5 November 2013 at 10:30 a.m. is set out in Appendix V on pages 33 to 34 of this circular. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Unit 601, Tsim Sha Tsui Centre, 66 Mody Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the meeting should you so wish.

18 October 2013

* For identification purpose only

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix I – Financial Information of the Group	13
Appendix II – Valuation Report on the Property	18
Appendix III – Unaudited Pro Forma Statement of Assets and Liabilities of the Group . .	24
Appendix IV – General Information	29
Appendix V – Notice of Special General Meeting	33

DEFINITIONS

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

“Agreements”	together, the Preliminary S&P Agreement and the Formal S&P Agreement
“Associated Surveyors”	Associated Surveyors & Auctioneers Limited, an independent professional valuer appointed by the Company
“Board”	the board of Directors
“Company”	China Investments Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Transaction pursuant to the terms and conditions of the Agreements
“Director(s)”	director(s) of the Company
“Formal S&P Agreement”	the formal sale and purchase agreement to be entered into between Nanhai Chengye and Nanhai Canmanage on or before the expiration of 3 months from the date of fulfillment of all the conditions set out under the paragraph headed “Conditions precedent of the Transaction” in the “Letter from the Board” to this circular, in relation to the sale and purchase of the Property
“Group”	the Company and its subsidiaries
“HLM”	HLM CPA Limited, Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	16 October 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanhai Canmanage”	佛山市南海康美投資有限公司 (Foshan City Nanhai Canmanage Investments Holdings Limited*), a wholly foreign owned enterprise incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company

DEFINITIONS

“Nanhai Chengye”	佛山市南海承業投資開發管理有限公司 (Foshan City Nanhai Chengye Investment Development and Management Co., Ltd.*), a company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China, and for the purposes of this circular excluding Hong Kong, the Macau Special Administrative Region, and Taiwan
“Preliminary S&P Agreement”	the conditional preliminary sale and purchase agreement dated 16 September 2013 entered into between Nanhai Chengye as seller and Nanhai Canmanage as purchaser in relation to the sale and purchase of the Property by way of pre-sale prior to the completion of the construction of the Property
“Property”	98 office units situated at Block 1 of Guangdong-Hongkong Finance & Technology Park (粵港金融科技園), 6 Jinke Road, Guicheng Street, Nanhai District, Foshan City, Guangdong Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at Luxembourg Room II, 3rd Floor, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 5 November 2013 at 10:30 a.m., a notice of which is set out in Appendix V on pages 33 to 34 of this circular
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale and purchase of the Property pursuant to the Agreements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

For the purposes of this circular, the exchange rate of RMB1.00 = HK\$1.266 has been used for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at any particular rate on the date or dates in question or any other date.

* For identification purpose only

LETTER FROM THE BOARD



CHINA INVESTMENTS HOLDINGS LIMITED 中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

Executive Directors:

Mr. You Guang Wu (*Chairman*)
Mr. Su Wenzhao (*Managing Director*)
Mr. Wu Yongqing (*Deputy Managing Director*)
Mr. Huang Zhihe (*Deputy Managing Director*)

Registered Office:

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Independent Non-Executive Directors:

Mr. Chan Kwok Wai
Mr. Chen Da Cheng
Mr. Deng Hong Ping

Head Office and Principal

Place of Business:

Unit 601, Tsim Sha Tsui Centre
66 Mody Road
Tsimshatsui
Kowloon, Hong Kong

18 October 2013

To the shareholders of China Investments Holdings Limited

Dear Sir or Madam,

MAJOR TRANSACTION ACQUISITION OF PROPERTY

INTRODUCTION

Reference is made to the announcement of the Company dated 16 September 2013, whereby the Board announced that on 16 September 2013, Nanhai Canmanage (as purchaser), a wholly-owned subsidiary of the Company, entered into the Preliminary S&P Agreement with Nanhai Chengye (as seller), pursuant to which Nanhai Canmanage agreed to purchase and Nanhai Chengye agreed to sell the Property by way of pre-sale prior to the completion of the construction of the Property, for a consideration of RMB199,975,466 (equivalent to approximately HK\$253,168,940).

* For identification purpose only

LETTER FROM THE BOARD

SUMMARY OF THE PRINCIPAL TERMS OF THE PRELIMINARY S&P AGREEMENT

Date

16 September 2013

Parties

- (a) Nanhai Canmanage as purchaser; and
- (b) Nanhai Chengye as seller.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this circular, Nanhai Chengye and its ultimate beneficial owners are third parties independent of the Company and its connected persons, in that Nanhai Chengye is not a connected person of the Company nor an associate of a connected person of the Company.

Subject of the Transaction

The Property comprises 98 office units situated at Block 1 of Guangdong-Hongkong Finance & Technology Park (粵港金融科技園) (the “Park”), 6 Jinke Road, Guicheng Street, Nanhai District, Foshan City, Guangdong Province, the PRC, with a total gross floor area of approximately 18,865.61 square metres.

Block 1 comprises a total of 99 office units. The remaining 1 office unit (the “Remaining Unit”) not sold to the Group has been retained by the developer/owner and used as the temporary office for property management of the Park. Under the Preliminary S&P Agreement, the Group has a pre-emptive right to acquire the Remaining Unit at a unit price of RMB10,600 per square metre in the event the developer/owner is to sell such unit within 5 years from the date of completion.

Currently, the Property is still under construction. Construction of the Property is expected to be completed by July 2014.

The Property will be held by the Group as investment for rental or resale purposes, save that without the prior written consent of the relevant PRC governmental authority, the Group may not sell, assign or otherwise dispose of the Property within 2 years from the date on which the property rights in the Property have been registered in the name of Nanhai Canmanage (the “Two-Year Sale Restriction”).

According to the valuation report set out in Appendix II to this circular, the Property was valued by Associated Surveyors at RMB230,000,000 (equivalent to approximately HK\$291,180,000) as at 29 July 2013.

LETTER FROM THE BOARD

Consideration and payment terms

The total consideration of the Transaction is RMB199,975,466 (equivalent to approximately HK\$253,168,940) in cash. Such consideration is expected to be funded by a combination of internal resources of the Group and bank mortgage financing (to the extent where available) (the portion of bank mortgage financing being in any event less than 50% of the total consideration), and will be payable in the following manner:–

- (a) RMB5,000,000 has been paid by Nanhai Canmanage as deposit within 10 working days from the date of the Preliminary S&P Agreement.
- (b) Subject to fulfillment of all the conditions set out under the paragraph headed “Conditions precedent of the Transaction” below, RMB95,000,000 will be paid by Nanhai Canmanage as further deposit within 10 working days from the date of the Formal S&P Agreement.
- (c) The remaining balance of RMB99,975,466 will be paid by Nanhai Canmanage within 5 working days from the date of Completion.

It has been agreed in the Preliminary S&P Agreement that the Formal S&P Agreement will only be signed upon fulfillment of all the conditions set out under the paragraph headed “Conditions precedent of the Transaction” below.

As it is the Company’s current intention to reserve its cash balance for use in any investment opportunities which may arise in the future, the Company intends to apply for bank mortgage financing to settle part of the consideration.

Conditions precedent of the Transaction

Completion is conditional upon fulfillment of the following conditions:–

- (a) all necessary approvals of the relevant PRC governmental or regulatory authorities which are required in respect of the Transaction having been obtained by Nanhai Chengye; and
- (b) the approval of the Transaction by the Shareholders at the SGM pursuant to the Listing Rules.

In the event all necessary approvals of the relevant PRC governmental or regulatory authorities which are required in respect of the Transaction have been obtained by Nanhai Chengye, Nanhai Chengye shall, within 10 working days upon the date on which the approvals were obtained, give written notice to Nanhai Canmanage to confirm that condition (a) above has been fulfilled.

In the event the Transaction has been approved by the Shareholders at the SGM, Nanhai Canmanage shall, within 10 working days upon the date of the SGM, give written notice to Nanhai Chengye to confirm that condition (b) above has been fulfilled.

LETTER FROM THE BOARD

In the event of non-fulfillment of the above conditions before 1 January 2014, Nanhai Chengye shall return all amounts paid by Nanhai Canmanage pursuant to the Preliminary S&P Agreement within 30 days therefrom and the Preliminary S&P Agreement shall terminate immediately and be of no further effect.

None of the above conditions are waivable. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

Other Completion requirements

It is a Completion requirement that Nanhai Canmanage and Nanhai Chengye enter into the Formal S&P Agreement within the expiration of 3 months from the date of fulfillment of all the conditions set out under the paragraph headed “Conditions precedent of the Transaction” above.

It is also a Completion requirement that Nanhai Chengye deliver to Nanhai Canmanage all the documents issued by the relevant PRC governmental or regulatory authorities evidencing final acceptance of the Property (經竣工驗收合格並已辦理竣工驗收備案). It is expected that such documents will be available by 31 July 2014 and Completion will only take place upon production of the documents by Nanhai Chengye.

Completion

Completion is expected to take place before 31 July 2014. At Completion, Nanhai Chengye shall deliver to Nanhai Canmanage all the documents issued by the relevant PRC governmental or regulatory authorities evidencing final acceptance of the Property and which are necessary for completion of the Transaction (經竣工驗收合格並已辦理竣工驗收備案).

Vacant possession of the Property will be delivered at Completion.

Post-Completion Registration

Within 60 days from the date of Completion, Nanhai Chengye shall process the registration of property rights of Nanhai Canmanage in the Property with the relevant PRC governmental authority.

As advised by the Company’s PRC legal adviser, it is a general practice in PRC property sale and purchase transactions that registration of property rights of Nanhai Canmanage in the Property post-Completion is a formality only.

BASIS OF DETERMINING THE CONSIDERATION

The consideration of the Transaction was arrived at after arm’s length negotiations between the parties with reference to the valuation of the Property performed by Associated Surveyors on 29 July 2013.

Property Valuation

The Company is advised by Associated Surveyors that due to the Two-Year Sale Restriction, it is expected that the Property will be held by the Group as investment for rental in the first two years and may be leased out or disposed of during the remaining tenure of the Property. Therefore, Associated Surveyors

LETTER FROM THE BOARD

considered that the income approach is the most appropriate valuation method to adopt in assessing the market value of the Property, an income generating property. It was also noted by Associated Surveyors that the Property is still under construction and the superstructure has been substantially completed. As the Property is expected to be completed in the foreseeable future and there are market rental comparables readily available for the Property as if it is completed, Associated Surveyors considers the income approach suitable in their valuation. Appropriate valuation has also been made and discounted in arriving their opinion of the current value of the property interest being valued. Moreover, as disclosed on page 8 of this circular, the valuation was made with reference to comparables with similar user within the Guangdong High Tech Service Zone for Financial Institutions, which is zoned for attracting and accommodating financial, information technology and other high end back office services, etc. Please refer to the valuation report set out in Appendix II to this circular for further details on the basis of valuation of the Property.

As disclosed in the valuation report set out in Appendix II to this circular, according to the land grant condition, all office units of the Property shall be used for electronic, information technology & telecommunication, precise engineering, bio-technology, green technology types of high end aspect (the “User Restriction”). As the target users of the Park are, amongst others, back offices of financial institutions services industry and high-tech industry of Guangzhou-Foshan, Hong Kong and other regions’ enterprises, all the ancillary facilities are tailor-made for these target users, and it is expected that these target users are more willing to pay a higher rental and selling price. The Board considers that the User Restriction will not have any significant impact on the rental and selling price. Further, the Board has taken a more conservative approach when assessing the rental and selling price of the Property against similar commercial properties in Nanhai District.

When considering the acquisition of the Property and the consideration, the Board has already taken into account the Two-Year Sale Restriction and the User Restriction, and has taken into account the market price and the appraised value provided by Associated Surveyors. The consideration is in fact at a discount to the appraised value.

The Property will be held by the Group as investment for rental or resale purposes. As disclosed on page 18 of this circular, in assessing the market value of the Property, Associated Surveyors has adopted the income approach by taking into account the rental receivable and the reversionary potential of the property interests by discounting the market rent with appropriate yield or by discounting the market value on vacant possession as assessed by sale comparison. They have also assumed that the Property can be expected to earn the market rent. The major parameters used under the income approach are the market rent and the market driven discount rate. The Company is further advised by Associated Surveyors that as the Property is still under construction, they have further assumed that:

1. all consents, approvals and licences from relevant government authorities for the development proposal have been obtained;
2. the Property will be developed and completed in accordance with the development and planning approvals and within the timeframe;
3. the Property, upon completion, will be delivered to the Company in vacant possession and will be fit for occupation; and

LETTER FROM THE BOARD

4. the remaining cost to complete the Property will be borne by the developer.

This approach makes reference to comparable transactions as available in the relevant market within the same locality, more particularly, known as Guangdong High Tech Service Zone for Financial Institutions. As advised by Associated Surveyors, this High Tech Service Zone is zoned for attracting and accommodating financial, information technology and other high end back office services, etc. and within this locality, Associated Surveyors has identified and selected comparables with similar users and consider that the comparables selected are the most appropriate ones for their further analysis. In their valuation, appropriate adjustments and analysis are considered in terms of differences in location, size, accessibility, quality, characteristics between the comparable properties and the subject property.

As advised by Associated Surveyors, (a) the valuation is based on the assumption that the Property is sold in the open market without being affected by any deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would affect the value of the Property, (b) in valuing the Property, it has been assumed that no person or entity has a priority right to purchase the Property, and that (c) compulsory sale has not been assumed in any manner.

As disclosed on page 9 of this circular, taking into account the advice of an independent market researcher, it is estimated that the selling price and rental of office units in Foshan City will increase by 5% annually. Therefore, notwithstanding having taken into account the limited land supply and the increases in property prices and construction costs, in view of the relatively steady upward trend of the property market in Foshan City, the Directors expect that there will be no material difference between the capital value of the Property in existing state as at 29 July 2013 (i.e. the date of the valuation) and the estimated capital value of the Property at Completion.

The Directors consider that the Transaction is in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group approached Nanhai Chengye in May 2013 upon gaining knowledge of the development of the Park in the earlier time. The Transaction was first contemplated by the Group in July 2013, during which negotiations between the Group and Nanhai Chengye commenced.

Further information about the Park

The Park has a total site area of approximately 74,000 square metres, and a total gross floor area of approximately 400,000 square metres, which includes 6 blocks of office towers and 3 blocks of residential towers. The development of the Park is expected to be completed in 2015.

The main structure of Block 1 has been completed, and it is undergoing internal decoration of the common parts and facilities. It is expected that all the decorations will be completed before July 2014 and the Property is expected to be delivered by 31 July 2014.

LETTER FROM THE BOARD

For the Property, the avenues on the east and south have been opened for traffic. On the west, it is Jinke Road, which was constructed by the municipal government of Nanhai District and it is expected to be open for traffic in mid-2014.

The Park is adjacent to Guangzhou and Hong Kong, where the transportation network and commercial infrastructure in the area are well developed. Given the mature development in adjacent areas, it is expected that reliance by the Property on the overall development of the Park would be minimal.

The Company has been informed by Nanhai Chengye that as construction of the Property is not completed, Nanhai Chengye has not commenced applications for the construction works completion registration (經竣工驗收合格並辦理竣工驗收備案) and building ownership certificates. As advised by the Company's PRC legal adviser, there is no legal impediment on such applications. The estimated cost for such registrations applications is expected to amount to a total of approximately RMB12,842,000 and will be borne by the Group. The costs for decoration of the common parts of the Property will be borne by Nanhai Chenye, but information on such costs is not available to the Company.

All tenancy matters of the Property will be managed in-house by the Group, whereas the Park will be managed by the management office of the Park appointed by Nanhai Chengye.

Overview of the commercial property market in Foshan City, the PRC

Since 2007, the tertiary industry of Foshan City has had an annual growth rate of around 10% upon the continuous development of the tertiary industry in Foshan City as a result of the urban upgrading scheme (城市升級計劃) and the regulation of the asset structure (產業格局). Economists forecast that the tertiary industry will contribute to 40% of Foshan City's local GDP in 2015 (in 2012, the tertiary industry contributed to 34.6% of Foshan City's local GDP). It is expected that the development of tertiary industry will promote the demand of office units and thus stimulate the development of commercial property market in Foshan City.

The target users of the Park are back offices of financial institutions, high-tech and modern services industry of Guangzhou-Foshan and Hong Kong enterprises. The Park is adjacent to Guangzhou and Hong Kong with well developed transportation hub providing convenient transportation network. Further, as the selling price and rental of office units in Foshan are much lower than those in Guangzhou and Hong Kong, the aim of the development is to attract the Guangzhou-Foshan and Hong Kong target users to relocate their offices to the Park.

With Completion being expected to take place before 31 July 2014, the Group is now considering implementing pre-leasing activities. No concrete plan has been made.

The Company has been advised by an independent market researcher that the current monthly rental of office units in Nanhai District, Foshan City is around RMB60-90 per square metre, and the selling price of office units is around RMB12,500-12,800 per square metre. It is estimated that the selling price and rental of office units in Nanhai District, Foshan City will increase by 5% annually. According to statistical data, the supply of office units in Foshan City will be around 3.2 million square metres in the coming 3 years.

On the assumption that all office units of the Property will be rented out at the current property market rental, the total annual rental income is expected to be up to approximately RMB19 million.

LETTER FROM THE BOARD

The Board considers that the Property may offer good rental return. It is expected that appreciation in the value of the Property will also bring profit on sale of the Property. It is also expected that the Two-Year Sale Restriction will have no impact on the rental income to the Group. As the Park will only be completed in 2015, it is expected that the market price of the properties in the Park may achieve a significant increase upon completion of the relevant ancillary facilities. Therefore, it would be more beneficial to the Group to sell the Property only after two years. For the above reasons, the Board is of the opinion that the restriction will only have minor impact on the sales revenue.

The Directors believe that the Transaction is in line with the Group's strategy in investment in income generating property and will enable the Group to benefit from rental and sale income and long-term capital gains in the event the Property may appreciate in value in the future.

The Directors (including the independent non-executive Directors) consider that the Transaction is on normal commercial terms and the terms of the Transaction are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As certain relevant percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the consideration for the Transaction exceed 25% but are less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval of the Shareholders pursuant to the Listing Rules.

INFORMATION ABOUT THE GROUP

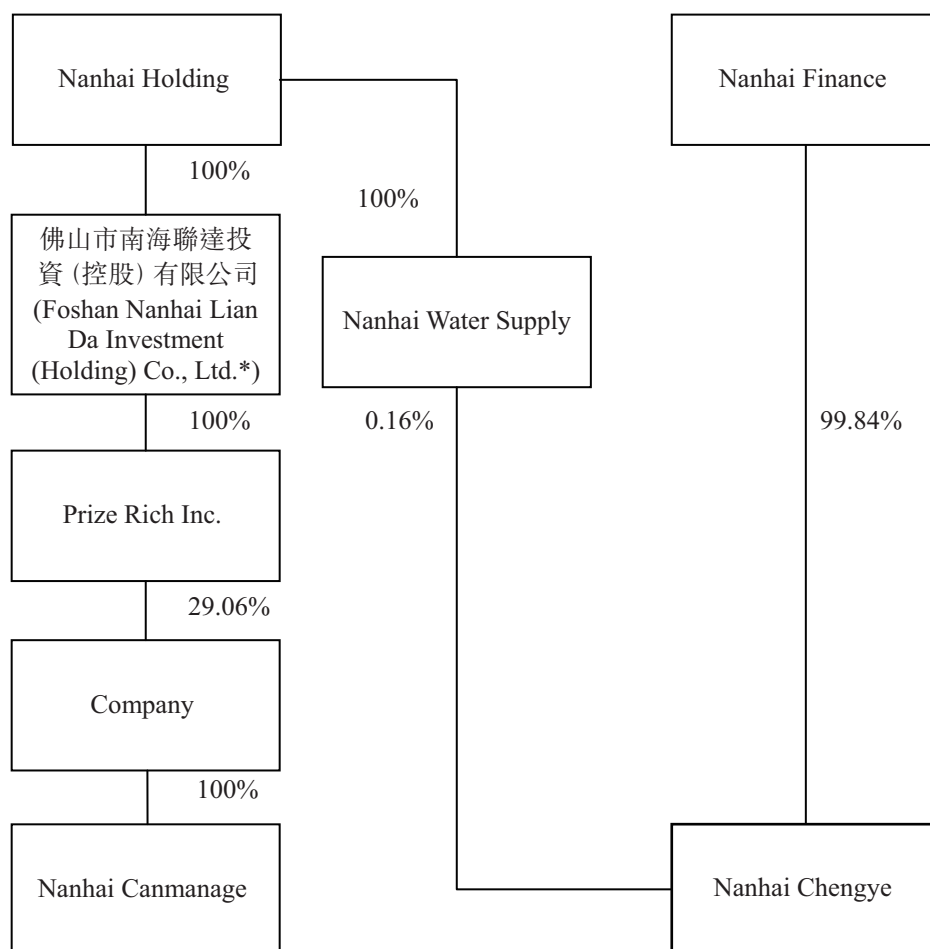
The Group is principally engaged in the hotel operation and property investment businesses.

INFORMATION ABOUT NANHAI CHENGYE

To the best of the Directors' knowledge, information and belief, Nanhai Chengye is established by two state-owned investment entities in the PRC and is principally engaged in urban construction, investment and management; investment, development, construction, operation and management in real estate; and car-parking services. Nanhai Chengye is ultimately and beneficially virtually wholly owned by 佛山市南海金融高新區投資控股有限公司 (Foshan City Nanhai Finance Gaoxin District Investment Holding Co., Ltd.*) ("Nanhai Finance"), in that Nanhai Chengye is owned as to 99.84% by Nanhai Finance and as to 0.16% by 佛山市南海供水集團有限公司 (Foshan City Nanhai Water Supply Group Co., Ltd.*) ("Nanhai Water Supply"), a wholly-owned subsidiary of 廣東南海控股投資有限公司 (Guangdong Nanhai Holding Investment Co., Ltd.*) ("Nanhai Holding"), which is a substantial shareholder of the Company. Save as disclosed above, as at the Latest Practicable Date, none of the Company or any of its connected persons had any prior business or other relationship with such beneficial owner.

LETTER FROM THE BOARD

For ease of reference, set out below is a simplified chart showing the relationship between the Company and Nanhai Chengye:-



SGM

The SGM will be convened to consider and, if thought fit, to approve the Transaction.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders has direct or indirect material interest in the Transaction and accordingly, no Shareholder is required to abstain from voting on the ordinary resolution regarding the Transaction.

A proxy form for use at the SGM is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Unit 601, Tsim Sha Tsui Centre, 66 Mody Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting at the meeting should you so wish.

* For identification purpose only

LETTER FROM THE BOARD

RECOMMENDATION FROM THE BOARD

The Directors consider that the Transaction is on normal commercial terms and the terms of the Transaction are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board would recommend the Shareholders to vote in favour of the resolution for approving the Transaction at the SGM.

ADDITIONAL INFORMATION

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

By Order of the Board
China Investments Holdings Limited
You Guang Wu
Chairman

1. FINANCIAL SUMMARY OF THE GROUP

The published audited consolidated financial statements of the Group (i) for the year ended 31 December 2010, is disclosed on pages 21 to 74 of the 2010 annual report of the Company dated 11 March 2011; (ii) for the year ended 31 December 2011, is disclosed on pages 21 to 79 of the 2011 annual report of the Company dated 22 March 2012; (iii) for the year ended 31 December 2012, is disclosed on pages 27 to 81 of the 2012 annual report of the Company dated 7 March 2013. The published unaudited consolidated financial statements of the Group for the six months ended 30 June 2013 are disclosed on pages 7 to 30 of the 2013 interim report of the Company dated 14 August 2013. All these financial statements have been published on the website of the Stock Exchange at www.hkex.com.hk and the Company's website at <http://chinainvestments.quamir.com>.

2. INDEBTEDNESS

As at the close of business on 31 August 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, save that the Group had a maximum contingent consideration of HK\$48,000,000 in respect of the acquisition of the entire issued share capital of Can Manage Trading Limited (as disclosed on page 29 of the 2013 interim report of the Company dated 14 August 2013), apart from intra-group liabilities, the Group did not have any bank loans, bank overdrafts and liabilities under acceptances (other than normal trade bills) or other similar indebtedness, debentures or other loan capital, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 31 August 2013.

Save as disclosed above, the Directors confirmed that there have been no material change in the indebtedness and contingent liabilities of the Group since 31 August 2013 and up to the Latest Practicable Date.

3. WORKING CAPITAL

The Directors are of the opinion that after taking into account the present financial resources, in the absence of unforeseen circumstances, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS

During the six months ended 30 June 2013, the unaudited consolidated turnover was HK\$15,646,000 (for the six months ended 30 June 2012: HK\$42,052,000) and unaudited consolidated net profits after tax was HK\$1,525,000 (for the six months ended 30 June 2012: net loss of HK\$12,897,000).

The Group entered into the Preliminary S&P Agreement with Nanhai Chengye to purchase the Property as the first step of the Group's transformation. The Board will continue to implement the established operation and investment strategies fully leveraging on the existing resources available, focusing on investing quality property projects and expanding its hotel operation business, while seeking for other investment opportunities to gradually improve the Group's profitability and bring positive return for the Shareholders.

5. FINANCIAL EFFECTS OF THE TRANSACTION ON THE GROUP

The Company intends to finance the total consideration of RMB199,975,466 (equivalent to approximately HK\$253,168,940) and the direct expenses relating to the Transaction of approximately HK\$13,418,000 by a combination of internal resources of the Group and bank mortgage financing to the extent where available. Following the acquisition of the Property, the total assets and the net asset value of the Group are expected to remain unchanged as the increase in investment property will be offset by the decrease in cash balances and the increase in bank borrowings (in the case where bank mortgage financing is available) of the Group. Subject to the audit by the auditor of the Group, the consideration paid and the related expenses for the acquisition of the Property will be recognised by the Group in the consolidated statement of financial position as non-current assets. The Property will derive rental income and therefore the acquisition of the Property will have positive effects on the earnings of the Group.

6. FUTURE BUSINESS PLAN**Hotel Business**

Several factors such as the uncertainty in the global economy, the continuous appreciation of RMB and the tightened control on government spending in entertainment in the PRC, have led to a decrease in the overall tourist arrivals in Guilin and thus leading to intense competition in the industry. The occupancy rate of Guilin Plaza declined by 16.7% to 45% in the six-month period ended 30 June 2013, and the total turnover during that period amounted to HK\$10,869,000, representing a decrease of 26.6% as compared to the same period last year. As for costs control, Guilin Plaza continued to implement strict control over costs and expenses, achieving effective and remarkable results. During the period, despite the cost pressure on the hotel operation due to continuously rising prices, the cost rate recorded only a slight increase of 0.38% as compared to the same period last year. Up to 30 June 2013, the operating results of Guilin Plaza recorded a loss of HK\$2,345,000. Up to the Latest Practicable Date, the adverse business environment is still affecting the result of the Group's hotel business.

With the aim of increasing the competitiveness of Guilin Plaza in the adverse business environment, the Group is now planning to expand the annex building of Guilin Plaza, through which the ancillary facilities of the hotel would be improved, thereby enabling the Group to benefit from economies of scale. The Directors believe that the expansion of the annex of Guilin Plaza, which is currently expected to take at least 2-3 years to complete, will enable the Group to benefit from the gradual recovery of the economy and the tourism industry in the PRC in the next few years.

Property Investment

Currently, all tenancy matters of the Group's investment properties are managed in-house by the Group, whereas such investment properties are managed by external property management service providers appointed by the developer of such properties. It is expected that such mode of operation will continue to be adopted by the Group.

For the period ended 30 June 2013, the Group's rental income amounted to HK\$1,164,000, which represented an increase of 7% over the same period last year. There was no significant change in the property occupancy during that period compared to the same period last year.

Property investment and management are the core businesses of the Group. The Group will continue to invest in the property sector.

Apart from the acquisition of the Property, the Group is not currently in need of any further capital and financing. Except for the expansion project of Guilin Plaza, the Group has no present intention nor any concrete plans to develop any other property project. The Group has engaged in property development business since the 1990s. For example, Guilin Plaza was developed by the Group and certain personnel involved in the development of the hotel have been retained by the Group as its current hotel management staff. Further, Mr. Huang Zhihe, an executive Director, has extensive experience in real estate investment and development and hotel management.

Major properties held by the Group

Particulars of major properties held by the Group as at the Latest Practicable Date are as follows:-

Name/Location	Effective % held	Category of lease	Type	Total gross floor area on completion (s.m.)	Stage	Expected year of completion
<i>Hotel properties</i>						
Guilin Plaza, 20 Li Jiang Lu Guilin, Guangxi, The PRC.	100	Medium	Hotel	29,746	Existing	N/A
<i>Investment properties</i>						
Kai Yip Factory Building Portion A on G/F, No. 15-17 Sam Chuk Street, San Po Kong, Kowloon, Hong Kong.	100	Medium	Industrial	459	Existing	N/A
Room 702, 703 and 704 of Block D of Shantou Commercial Plaza at the junction of Jinsha Road East and Huashan Road, Shantou Special Economic Zone, Guangdong Province, The PRC.	100	Medium	Residential	291	Existing	N/A
<i>Properties held for sale</i>						
Levels 5-7, 9, 12-14, 17-22 of Block A and all shopping spaces in the podium under Block B & C of Shantou Commercial Plaza at the junction of Jinsha Road East and Huashan Road, Shantou Special Economic Zone, Guangdong Province, The PRC.	100	Medium	Commercial/ Residential	13,323	Existing	N/A
10th Floor of Building B, 6th, 8th, 11th, 15th, 17th and 25th Floors of Building A, International Commerce Building, Banzhang Lake, South Riverside, Huizhou City, Guangdong Province, The PRC.	100	Long	Commercial/ Office	4,289	Existing	N/A

The Group is reassessing the existing property portfolio so as to adjust the location of the Group's property projects. It is the Group's intention to invest and develop property projects in the core region of Pearl River Delta and Hong Kong areas, to increase investments in properties with higher appreciation potential and to dispose of non-core properties with unsatisfactory yields.

As disclosed in the Group's 2013 interim report dated 14 August 2013, in addition to investing in and developing the existing businesses, the Group is open to any investment opportunity which offers high return and good prospects, such as environmental infrastructure projects (relating to water,

electricity or gas, etc), financial services industry etc. In selecting projects, the Group will concentrate on projects with development prospect, high appreciation potential and steady cash-flow. As at the date hereof, no concrete project has been selected by the Group.

The Group believes that the technology and know-how employed in its former fibreboard manufacturing and trading business, including the development and use of environmental-friendly equipment, facilities and infrastructure (such as combined heat and power plant, sewage facilities and water purification systems), would assist the Group in its intended investment in environmental infrastructure projects (relating to water, electricity or gas, etc).

As disclosed in the Company's 2012 annual report, Mr. You Guang Wu, Chairman and executive director of the Company, has extensive experience in investment, financing and financial management. The Group believes that Mr. You's knowledge and experience would assist the Group in its intended investment in the financial services industry.

In view of the positive future prospect of the aforesaid industries as expected by the Group, together with the help of the knowledge, expertise and experience accumulated by the Group as aforesaid, the Group is currently considering conducting industry and policy research (行業及政策調研) in the aforesaid industries. However, no concrete plans have been made and no due diligence work has been carried out.

As at the Latest Practicable Date, the Group has no intention, negotiation, agreement, arrangement or understanding in relation to any disposal, scaling-down and/or termination of its existing businesses.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Associated Surveyors & Auctioneers Limited, an independent property valuer, in connection with its valuation of the property interests to be acquired by the Group as at 29 July 2013.

**Associated Surveyors & Auctioneers Ltd.****協聯估值及拍賣行有限公司**

Surveyors ♦ Valuers ♦ Estate Consultants & Agents ♦ Arbitrator ♦ Auctioneers

地產測量師 • 估值師 • 地產顧問及代理 • 仲裁師 • 拍賣師

地產代理(公司)牌照號碼: C-011889

Unit 3, 26/F., Honour Industrial Centre,
6 Sun Yip Street,
Chai Wan, H.K.

18 October 2013

The Board of Directors
China Investments Holdings Limited
Unit 601, Tsim Sha Tsui Centre
66 Mody Road, Tsim Sha Tsui
Kowloon, Hong Kong

Dear Sirs,

In accordance with the instruction of China Investments Holdings Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for us to value the property interests of a property in Guangdong High Tech Service Zone for Financial Institutions, Guicheng Street, Nanhai District, Foshan City, Guangdong, People’s Republic of China (the “PRC”) to be acquired by the Company, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary to support our opinion on the market value of the property interests as at 29 July 2013 (the “Date of Valuation”) for the purpose of incorporation in the circular of the Company dated 18 October 2013 in relation to a major transaction of the Company.

Our valuation of the property interests is made on the basis of the “Market Value” in accordance with the “HKIS Valuation Standards (2012 Edition)” published by The Hong Kong Institute of Surveyors (“HKIS”). In the HKIS Valuation Standards, the Market Value is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

We have been informed by the Management of the Company that, the Property will be held by the Group as investment for rental or resale purposes. Save that without the prior written consent of the relevant PRC governmental authority, the Group may not sell, assign or otherwise dispose of the Property within 2

years from the date of acquisition. Due to the resale restriction, we have assumed that the Property will be held by the Group as investment for rental in the first two years and may be leased out or disposed of for the remaining tenure of the Property. Therefore, we considered that Income Approach is the most appropriate valuation method to adopt in assessing the Market Value of an income generating property. We also note that the Property is still under construction and the superstructure has been substantially completed. As the Property is expected to be completed in the foreseeable future and there are market rental comparables readily available for the Property as if it is completed, therefore we consider the Income Approach is suitable in our valuation. Appropriate valuation is made and discounted in arriving our opinion of the current value of the property interest being valued. In assessing the Market Value of the property interests, we have adopted the Income Approach by taking into account the rental receivable and the reversionary potential of the property interests by discounting the market rent with appropriate yield or by discounting the market value on vacant possession as assessed by sale comparison. We have assumed that the property can be expected to earn the market rent. The major parameters used under the Income Approach are the market rent and the market driven discount rate. As the Property is still under construction, we have further assumed that:

1. all consents, approvals and licences from relevant government authorities for the development proposal have been obtained;
2. the Property will be developed and completed in accordance with the development and planning approvals and within the time frame as informed by the Management of the Company;
3. the Property, upon completion, will be delivered to the Company in vacant possession and will be fit for occupation; and
4. the remaining cost to complete the Property will be borne by the developer.

This approach makes reference to comparable transactions as available in the relevant market within the same locality, more particularly, known as Guangdong High Tech Service Zone for Financial Institutions. This High Tech Service Zone is zoned for attracting and accommodating financial, information technology and other high end back office services, etc. Within this locality, we have identified and selected comparables with similar users and we consider that the comparables selected are the most appropriate ones for our further analysis. In our valuation, appropriate adjustments and analysis are considered in terms of differences in location, size, accessibility, quality, characteristics between the comparable properties and the subject property.

Our valuation is based on the assumption that the property is sold in the open market without being affected by any deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would affect the value of the property. In addition, in valuing the Property, we have assumed that no person or entity has a priority right to purchase the Property. Nor have we assumed compulsory sale in any manner.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. We have not taken into consideration special financing, leaseback arrangements, special considerations or concessions granted by anyone associated

with the sale, or a valuation inflated or deflated by special terms or circumstances such as any element of special value. No allowance has been made to the market value of the property for sale and purchase costs, and no deduction for any associated taxes or relevant tax expenses has been made.

In valuing the property, we have assumed that the owner of the property owns a valid and enforceable title of the property (freely assignable) and is entitled to free and uninterrupted use of the property for the whole of the un-expired term as granted. We assumed that all premiums payable have already paid.

We have relied to a considerable extent on the information given by the Company. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have been provided with copies of the title documents relating to the property, however due to the nature of the land registration system in the PRC, we cannot cause searches to verify ownership and encumbrances or to ascertain the subsequent amendments, if any, which may not appear on the copies handed to us. As we are not a legal professional, we are not in a position to ascertain the legal title of the property.

In valuing the property, we have relied on the legal opinions provided by the PRC legal adviser of the Group, Guangdong Jingzi Law Firm (廣東荆紫律師事務所), in respect of the title of the property and other matters in relation to the property.

Dimensions, measurements and areas set out in the valuation certificate are based on information contained in the documents provided to us and are approximations. We have no reason to doubt the truthfulness and accuracy of the information provided to us which is significant to the valuation.

We have inspected the exterior and, where possible, the interior of the property. However, we have not conducted soil investigation or building survey to ascertain whether the condition of land and facilities are fit for future occupation. Our valuation is based on the assumption that requirements in site formation, building regulation and other construction aspects have been fulfilled, and that no delay or obstruction will be incurred during the construction period. As the property is in the process of construction, we are not able to report whether the property is free of rot, infestation or any other structural defect. We have not carried out tests on any building services either. We have not carried out detailed on-site measurements to verify the site area and floor areas of the property, but have assumed that the various areas shown on the documents handed to us are correct. The management of the Company of interested party in the property should conduct their due diligence works on land survey and building survey aspects.

The property interests have been valued in Renminbi (“RMB”).

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (2012 Edition) published by The Hong Kong Institute of Surveyors. The valuation has been prepared by us as an external valuer who is competent in performing the valuation.

The site inspection was conducted by Mr. Leslie Wong (MHKIS) on 13 August 2013.

We attach herewith our valuation certificate.

Yours faithfully,
For and on behalf of
Associated Surveyors & Auctioneers Limited
Wong Chi Wai
Registered Professional Surveyor (General Practice)
Associate Director

Note: Mr. Wong Chi Wai is a Registered Professional Surveyor (General Practice) and a member of the Hong Kong Institute of Surveyors. He has over 17 years of experience in valuation of properties in Hong Kong, Macau and the PRC.

VALUATION CERTIFICATE

Property interest to be acquired by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 29 July 2013
A parcel of land of Lot No. 0101191110 with an office building (also known as Block A, Phase 1, Guangdong-Hong Kong Finance & Technology Park) being erected thereon located at north of Haiba Road, west of Foshan 1st Ring Expressway, south of Zhongyang Main Street (also known as Land Parcel B-04, Zone B, Guangdong High Tech Service Zone for Financial Institutions), Guicheng Street, Nanhai District, Foshan City, Guangdong Province, The PRC	The property interests to be acquired will comprise 98 nos. of office units which will have a gross floor area of approximately 18,865.61 sq.m. The property is situated on a parcel of transferrable land with a site area of approximately 4,551.8 sq.m. and an office building being erected thereon. The office building being erected will be a 13-storey building with a total nos. of 99 office units to be provided and a gross floor area of approximately 19,306.23 sq.m.. The construction of the building was commenced on November 2011 and is expected to be completed by mid 2014. The land use rights of the property were granted till 16 February 2051 for commercial and finance uses. The property is located in a newly developed Central Business District (“CBD”) of Foshan City. The area is also known as Guangdong High Tech Service Zone for Financial Institutions. In this CBD, various types of buildings, such as hotels, shopping centres, offices and residential buildings were built or being built. The Financial Hi-Tech Zone MTR station is situated within walking distance from the property. The Foshan MTR is connected to Guangzhou MTR.	As at the date of inspection, the property was under construction. The superstructure of the office building had been substantially completed.	RMB230 Million

Notes:

1. Pursuant to a contract for the Grant of State-owned Land Use Rights dated 17 February 2011 between Land Resources Bureau of Guangdong Province Foshan City and 佛山市南海承業投資開發管理有限公司 (translated as Foshan City Nanhai Chengye Investment Development and Management Co. Ltd. hereinafter referred to as “Nanhai Chengye”), the land use rights of a parcel of land having a site area of approximately 74,172.60 sq.m. for commercial and finance, wholesale and retail, residential and beverage uses was granted to Nanhai Chengye.
2. Pursuant to a supplementary contract for the Grant of State-owned Land Use Rights dated 15 July 2011 between Land Resources Bureau of Guangdong Province Foshan City and Nanhai Chengye, the land, as mentioned in Note 1 above, was sub-divided into eight parcels of land. The parcel of land at where the property is situated has a site area of approximately 4,550.90 sq.m. for commercial and finance uses for a term till 16 February 2051. The building to be erected has to be completed before 17 February 2016.
3. Pursuant to a State-owned Land Use Rights Certificate – Fo Fu Nan Guo Yong (2011) Di No.0110501 dated 26 July 2011, the land use rights of a parcel of land with a site area of approximately 4,551.8 sq.m. was been granted to Nanhai Chengye for a term till 16 February 2051 for commercial and finance uses at a consideration of RMB36,820,000.
4. Pursuant to a Permit for Construction Land Use Planning – Di Zi Di No. 440605201100034 dated 2 April 2011, Nanhai Chengye is permitted to develop parcels of land of approximately 74,166.9 sq.m. for Commercial, Finance, Wholesale, Retail, Residential and Beverage Composite Uses. The subject property with a site area of approximately 4,551.8 sq.m. is one of the parcels of land in relation to the Permit for Construction Land Use Planning.
5. Pursuant to a Permit for Construction Planning – Jian Zi Di No. 4060520110413 dated 18 April 2011, Nanhai Chengye is permitted to build a 13 storey building (also known as Block A, Phase 1, Guangdong-Hong Kong Finance & Technology Park) with a gross floor area of approximately 19,306.23 sq.m.
6. Pursuant to a Permit for Commencement of Construction – No. 44062220111110201 dated 11 November 2011, Nanhai Chengye is permitted to build a 13 storey building (also known as Block A, Phase 1, Guangdong-Hong Kong Finance & Technology Park) with a gross floor area of approximately 19,306.23 sq.m.
7. Pursuant to a Pre-completion Sales Permit – Nan Fang Yu Zi Di No. 2012008602 dated 27 November 2012, Nanhai Chengye is permitted to pre-sale 98 no. of units having a total gross floor area of approximately 18,865.61 sq.m. of the subject property.
8. According to the legal opinion prepared by the PRC legal advisor of the Group, the following is noted:
 - i. Nanhai Changye obtained State-owned Land Use Rights Certificate and is the holder of the land use right of the property.
 - ii. According to the Pre-completion Sales Permit – Nan Fang Yu Zi Di No. 2012008602, the property can be subdivided into 98 office units for pre-sale. There is no mortgage or seizure which will restrict the transfer of the office units.
 - iii. Upon the consents from the shareholders’ meeting and relevant government authorities have been obtained, the sale and purchase of the property is legally enforceable.
 - iv. According to the land grant condition, all office units of the property shall be used for electronic, information technology & tele-communication, precise engineering, bio-technology, green technology types of high end aspect.

APPENDIX III**UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP**

**1. INTRODUCTION TO THE UNAUDITED PRO FORMA STATEMENT OF ASSETS AND
LIABILITIES OF THE GROUP**

Capitalised terms used herein shall have the same meanings as those defined in this circular, unless the context requires otherwise.

The following is an illustrative and unaudited pro forma statement of assets and liabilities of the Group, which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Transaction as if the Transaction had taken place on 30 June 2013. As it is prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at 30 June 2013 or at any future date.

<i>HK\$ thousand</i>	The Group as at 30 June 2013 <i>Note (a)</i>	Pro forma adjustment <i>Note (b)</i>	Pro forma total of the Group
Non-current assets			
Investment properties	11,960	266,587	278,547
Property, plant and equipment	108,855	—	108,855
	<u>120,815</u>	<u>266,587</u>	<u>387,402</u>
Current assets			
Properties held for sale	59,540	—	59,540
Inventories	1,550	—	1,550
Trade and other receivables	8,874	—	8,874
Financial assets at fair value through profit and loss	1	—	1
Bank balances and cash	535,797	(266,587)	269,210
	<u>605,762</u>	<u>(266,587)</u>	<u>339,175</u>
Assets classified as held for sale	978	—	978
	<u>606,740</u>	<u>(266,587)</u>	<u>340,153</u>
Current liabilities			
Trade and other payables	113,618	—	113,618
Tax payable	21,697	—	21,697
	<u>135,315</u>	<u>—</u>	<u>135,315</u>
Net current assets	<u>471,425</u>	<u>(266,587)</u>	<u>204,838</u>
Total assets less current liabilities	<u>592,240</u>	<u>—</u>	<u>592,240</u>
Capital and reserves			
Share capital	118,833	—	118,833
Reserves	473,407	—	473,407
Equity attributable to owners of the company	<u>592,240</u>	<u>—</u>	<u>592,240</u>

Notes:

- (a) The unaudited consolidated statement of financial position of the Group as at 30 June 2013 was extracted from the published interim results announcement of the Group for the six months ended 30 June 2013.
- (b) The adjustment represents accounting treatments in relation to acquisition of the Property by the Group. The Property will be classified as investment properties in the accounts. The aggregate consideration of the Transaction represents the Purchase Price of RMB199,975,466 (equivalent to approximately HK\$253,168,940) and the direct expenses relating to the Transaction of approximately HK\$13,418,000 (equivalent to 5.3% of the consideration) including stamp duty, property agent commission, registration fee, legal costs and printing and mailing costs of this circular. As at the Latest Practicable Date, the Group has not applied for any mortgage, in preparing the unaudited pro forma statement of assets and liabilities, it is assumed that the Group will settle the consideration and direct expenses by internal resources.
- (c) No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2013.

**2. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA STATEMENT OF ASSETS AND
LIABILITIES OF THE GROUP**

Set out below is the letter from HLM CPA Limited on the unaudited pro forma statement of assets and liabilities of the Group.

恒健會計師行有限公司
HLM CPA LIMITED
Certified Public Accountants

Room 305, Arion Commercial Centre
2-12 Queen's Road West, Hong Kong.
香港皇后大道西2-12號聯發商業中心305室
Tel 電話: (852) 3103 6980
Fax 傳真: (852) 3104 0170
E-mail 電郵: hlm@hlm.com.hk

18 October 2013

The Board of Directors
China Investments Holdings Limited
Unit 601, Tsim Sha Tsui Centre,
66 Mody Road,
Tsimshatsui,
Kowloon,
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information set out in Appendix III to the circular of China Investments Holdings Limited (the "Company", together with its subsidiaries are referred to as the "Listed Group") dated 18 October 2013 which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the proposed acquisition of 98 office units situated at Block 1 of Guangdong-Hongkong Finance & Technology Park (粵港金融科技園), 6 Jinke Road, Guicheng Street, Nanhai District, Foshan City, Guangdong Province, the PRC, might have affected the unaudited consolidated statement of financial position of the Listed Group as at 30 June 2013. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in the section headed "Introduction to the unaudited pro forma statement of assets and liabilities of the Group" and "Notes to the Unaudited Pro Forma statement of assets and liabilities of the Group" of this Appendix.

RESPONSIBILITIES

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with Paragraph 29 of Chapter 4 ("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" ("AG7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

It is our responsibility to form an opinion, as required by Paragraph 29(7) of Chapter 4 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.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (“HKSAE”) 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 accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors 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 an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group 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 event or transaction at 30 June 2013 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 accountants’ judgment, having regard to the reporting accountants’ understanding of the nature of the Group, 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 accompanying 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 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

HLM CPA Limited
Certified Public Accountants
Ng Fai Fiona
Practicing Certificate Number P4986
Hong Kong

1. RESPONSIBILITY STATEMENT

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

2. DIRECTORS' INTERESTS IN SHARES

As at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register maintained by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as contained in the Listing Rules.

3. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors has any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Group were made up.

4. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group (excluding contracts expiring or determinable by relevant member of the Group within one year without payment of compensation, other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claim of material importance was pending or threatened against any members of the Group.

7. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competed or was likely to compete with the business of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) were entered into by the members of the Group within the two years immediately preceding the issue of this circular and are or may be material:—

- (i) the compensation memorandum dated 20 December 2011 entered into between the Company (on behalf of 佛山市南海康盛木業有限公司, 佛山市南海佳順木業有限公司 (being wholly-owned subsidiaries of the Company) and 佛山市南海康耀板業有限公司 (a limited liability company established in the PRC and owned as to 42% in equity interest by the Group)) and 佛山市南海區人民政府, in respect of the compulsory cessation of fibreboard business of the Group and resumption of certain landed property situated at Shatou Huan Qiu Industrial Zone, Jiujiang Town, Nanhai District, Foshan City, Guangdong, the PRC, further details of which were set out in the announcement of the Company dated 20 December 2011; and
- (ii) the auction confirmation letter dated 31 January 2013 entered into between 佛山市公聯拍賣有限公司, an auction company approved and wholly owned by the PRC Government, and 佛山市順德區森澳貿易有限公司, a company established in the PRC, in respect of the disposal by 佛山市南海康盛木業有限公司 and 佛山市南海佳順木業有限公司 (being wholly-owned subsidiaries of the Company) to 佛山市順德區森澳貿易有限公司 of certain equipment and machines formerly used in respect of the Group's former and discontinued business in manufacturing medium density fibreboards, at the consideration of RMB11,800,000, further details of which were set out in the announcement of the Company dated 1 February 2013.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Group were made up.

10. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualifications
Associated Surveyors & Auctioneers Limited	Professional valuers
HLM CPA Limited	Certified Public Accountants
Guangdong Jingzi Law Firm (“Guangdong Jingzi”)	PRC legal advisers

As at the Latest Practicable Date, neither Associated Surveyors, HLM and Guangdong Jingzi were interested in any Shares or shares in any member of the Group, nor did any of them have any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any Shares or shares in any member of the Group.

As at the Latest Practicable Date, neither Associated Surveyors, HLM and Guangdong Jingzi had any direct or indirect interest in any asset which had been, since 31 December 2012, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group.

Each of Associated Surveyors, HLM and Guangdong Jingzi has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of references to its name and/or the text of its letter or report in the form and context in which it is included.

11. GENERAL

- (a) The secretary of the Company is Mr. Lo Tai On, who is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The qualified accountant of the Company is Mr. Ng Chun Hing, who is a fellow member of the Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant member of the CPA Australia.
- (c) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- (d) The Company’s head office and principal place of business in Hong Kong is at Unit 601, Tsim Sha Tsui Centre, 66 Mody Road, Tsimshatsui, Kowloon, Hong Kong.
- (e) The branch share registrar of the Company is Tricor Progressive Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong.

- (f) The English language text of this circular shall prevail over the Chinese language text in case of inconsistency.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the following documents will be available for inspection at the principal place of business of the Company in Hong Kong at Unit 601, Tsim Sha Tsui Centre, 66 Mody Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours up to and including the date of the SGM:–

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for each of the two financial years ended 31 December 2011 and 31 December 2012 respectively;
- (iii) the interim report of the Company for the six months ended 30 June 2013;
- (iv) the valuation report of the Property set out in Appendix II to this circular;
- (v) the unaudited pro forma statement of assets and liabilities of the Group and the comfort letter from HLM on such pro forma statement of assets and liabilities, the text of which is set out in Appendix III to this circular;
- (vi) the letters of consent from each of Associated Surveyors, HLM and Guangdong Jingzi referred to in the section headed “Qualifications and Consents of Experts” in this appendix;
- (vii) the material contracts referred to in the section headed “Material Contracts” in this appendix; and
- (viii) (if any) a copy of each circular of the Company pursuant to the requirements set out in Chapter 14 and Chapter 14A of the Listing Rules which has been issued since 31 December 2012 (being the date to which the latest published audited accounts of the Group were made up).



CHINA INVESTMENTS HOLDINGS LIMITED
中國興業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 132)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT a special general meeting (“SGM”) of China Investments Holdings Limited (the “Company”) will be held at Luxembourg Room II, 3rd Floor, Regal Kowloon Hotel, 71 Mody Road, Tsimshatsui, Kowloon, Hong Kong on Tuesday, 5 November 2013 at 10:30 a.m. to consider and if thought fit, pass with or without amendments, the following resolution as ordinary resolution of the Company:—

ORDINARY RESOLUTION

“THAT:

- (a) the conditional preliminary sale and purchase agreement (the “**Preliminary S&P Agreement**”) dated 16 September 2013 entered into between 佛山市南海康美投資有限公司 (as purchaser), a wholly-owned subsidiary of the Company, and 佛山市南海承業投資開發管理有限公司 (as seller), in relation to the sale and purchase of the Property (as defined in the circular (the “**Circular**”) of the Company dated 18 October 2013) at the total consideration of RMB199,975,466 and upon and subject to the terms and conditions therein contained (a copy of which has been produced to the meeting and marked “A” and initialed by the chairman of the meeting for identification purpose), as mentioned in the Circular (a copy of which has been produced to the meeting and marked “B” and signed by the chairman of the meeting for the purpose of identification) and the transaction contemplated thereunder and in connection therewith be and are hereby approved, confirmed and ratified; and
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised, for and on behalf of the Company, to do all such acts and things, to sign, execute, seal (where required) and deliver all such documents and to take all such steps as the Directors in their discretion may consider necessary, appropriate, desirable or expedient to give effect to, to implement or in connection with or incidental to the Preliminary S&P Agreement and any and all of the transactions contemplated thereunder (including but not limited to the Transaction (as defined in the Circular)) and to agree to such variation, amendments or waiver or matters relating thereto

* For identification purpose only

(including any variation, amendments or waiver of the Preliminary S&P Agreement or such other documents as are, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole).”

By Order of the Board
YOU Guang Wu
Chairman

Hong Kong, 18 October 2013

Head Office and Principal Place of Business:

Unit 601, Tsim Sha Tsui Centre
66 Mody Road
Tsimshatsui
Kowloon, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company but must attend the meeting in person to represent you.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the principal place of business of the Company at Unit 601, Tsim Sha Tsui Centre, 66 Mody Road, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude any member from attending and voting at the meeting if the member so wishes and in such event, the proxy form shall be deemed to be revoked.
3. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the meeting, the vote of the such holder so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall be deemed joint holders thereof.

As at the date of this notice, the Board consists of four executive directors, namely Mr. YOU Guang Wu (Chairman), Mr. SU Wenzhao (Managing Director), Mr. WU Yongqing (Deputy Managing Director) and Mr. HUANG Zhihe (Deputy Managing Director), and three independent non-executive directors, namely Mr. CHAN Kwok Wai, Mr. CHEN Da Cheng and Mr. DENG Hong Ping.