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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in Energy International Investments Holdings Limited, you should at once hand this circular, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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## ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED

能源國際投資控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 353)**

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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



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A letter from the Board is set out on pages 3 to 8 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on page 9 to 10 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 18 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Unit 1508, 15th Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 4 January 2013 at 11:00 a.m. is set out on pages 24 to 25 of this circular.

Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

17 December 2012

\* For identification purpose only

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*This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.*

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## DEFINITIONS

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*In this circular, the following terms and expressions shall have the following meanings unless the context otherwise requires:*

“Board”	the board of Directors of the Company
“Company”	Energy International Investments Holdings Limited (in Chinese, for identification purpose only, 能源國際投資控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability whose shares are listing on The Stock Exchange of Hong Kong Limited
“Connected Person”	shall have the meaning given to it in the Listing Rules
“Directors”	director(s) of the Company
“EGM”	extraordinary general meeting held for the purposes of approving the Renewed Master Agreement and Renewed Annual Caps
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board, comprising Mr. Choi Chi Fai, Mr. Wang Jinghua and Mr. Chan Wai Cheung Admiral, all of them being the independent non-executive Directors, which has been established by the Board to advise the Independent Shareholders in relation to the Renewed Master Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Quam Capital Limited, a licensed corporation to carry out type 6 regulated activities (advising on corporate finance) under the SFO and being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Master Agreement and the Renewed Annual Caps
“Independent Shareholder(s)”	the shareholder(s) of the Company other than the Related Parties and their respective associates (if holding shares in the capital of the Company at the EGM)
“kWh”	unit of energy, kilowatt-hour; the standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a generator producing one thousand watts for one hour
“Latest Practicable Date”	13 December 2012, being the latest practicable date prior to the publishing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Original Master Agreement”	the agreement dated 15 September 2010 made between the Project Company and Zhongkai Group (contracting for itself and the Related Parties)
“PRC”	People’s Republic of China
“Project Company”	山西中凱集團靈石熱電有限公司 (Shanxi Zhong Kai Group Lingshi Heat and Power Company Limited), a sino-foreign equity joint venture enterprise established under the laws of the PRC, which is a non-wholly owned subsidiary of the Company
“Related Parties”	the subsidiaries of Zhongkai Group, including, <ol style="list-style-type: none"><li>1. 山西中凱集團靈石物業管理有限公司 (in English, for identification purpose only, Shanxi Zhong Kai Group Lingshi Properties Management Limited), which is owned as to 80% by Zhongkai Group;</li><li>2. 山西中凱集團靈石巨源石墨化有限公司 (in English, for identification purpose only, Shanxi Zhong Kai Lingshi Juyuan Shimohua Limited), which is owned as to 53% by Zhongkai Group; and</li><li>3. 山西中凱集團靈石能源開發有限公司 (in English, for identification purpose only, Shanxi Zhong Kai Group Lingshi Power Company Limited), which is owned as to 100% by Zhongkai Group</li></ol>
“Renewed Annual Caps”	the annual caps for the transactions contemplated under the Renewed Master Agreement for the three years ending 31 December 2015
“Renewed Master Agreement”	the agreement dated 5 December 2012 made between the Project Company and Zhongkai Group (contracting for itself and the Related Parties)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shareholders”	shareholders of the Company
“Zhongkai Group”	Shanxi Zhong Kai Group Limited (山西中凱實業集團有限公司), a company incorporated under the laws of the PRC and a holder of 40% of the entire equity interest of the Project Company
“%”	percentage

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## LETTER FROM THE BOARD

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### ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED

能源國際投資控股有限公司\*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 353)

*Executive Directors*

Ms. Wang Meiyang  
Mr. Chan Kwok Wing  
Mr. Luo Nianru  
Mr. Wang Donghai  
Mr. Yang Guangming

*Independent non-executive Directors*

Mr. Choi Chi Fai  
Mr. Wang Jinghua  
Mr. Chan Wai Cheung Admiral

*Registered Office*

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place  
of Business in Hong Kong*

Unit 1508, 15th Floor  
The Center  
99 Queen's Road Central  
Hong Kong

17 December 2012

*To the Shareholders*

Dear Sir/Madam,

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS AND NOTICE OF EXTRAORDINARY GENERAL MEETING

#### INTRODUCTION

Reference is made to the announcement of the Company dated 5 December 2012 announcing that the Project Company and Zhongkai Group had entered into the Renewed Master Agreement on 5 December 2012 to renew the Original Master Agreement with a fixed term commencing from on the day on which resolutions have been duly passed by the Independent Shareholders to approve the Renewed Master Agreement and the transactions contemplated thereunder and expiring on 31 December 2015.

The purpose of this circular is to provide the Shareholders with, among other things, (i) further details of the continuing connected transactions with the Related Parties, in particular, the Renewed Master Agreement and the Renewed Annual Caps; (ii) a letter from the Independent Financial Adviser containing its advise to the Independent Board Committee and the Independent Shareholders on the Renewed Master Agreement and the Renewed Annual Caps; (iii) recommendation of the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the EGM to the Shareholders to consider, and if thought fit, to approve the Renewed Master Agreement and the Renewed Annual Caps.

\* For identification purpose only

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## LETTER FROM THE BOARD

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### RENEWED MASTER AGREEMENT

The principal terms of the Renewed Master Agreement are as follows:

#### Date

5 December 2012

#### Parties to the Agreement

1. Project Company
2. Zhongkai Group, contracting for itself and the Related Parties

#### Conditions

The Renewed Master Agreement is conditional upon the Company having convened an extraordinary general meeting at which resolutions shall have been duly passed by the Independent Shareholders to approve the Renewed Master Agreement and the transactions contemplated thereunder.

#### Duration

The Renewed Master Agreement has a fixed term which will commence on the date on which resolutions have been duly passed by the Independent Shareholders to approve the Renewed Master Agreement and the transactions contemplated thereunder and will end on 31 December 2015.

#### Nature of the Renewed Master Agreement

1. Pursuant to the Renewed Master Agreement, the Project Company will supply and Zhongkai Group and the Related Parties will purchase such amount of electricity generated by the Project Company which Zhongkai Group or any of the Related Parties may request from time to time, subject to the terms of the Renewed Master Agreement and Renewed Annual Caps, at a price which will be determined on an arm's length basis with reference to the prevailing market price and the tariffs set by the provincial price control bureau of the PRC.
2. Zhongkai Group has agreed to, and agreed to procure the Related Parties to, fully settle the price payable by Zhongkai Group and the Related Parties within 7 days from the date of receipt of the bill issued by the Project Company. Pursuant to the Renewed Master Agreement, the Project Company will issue a bill to Zhongkai Group and the Related Parties for the supply of electricity in the relevant period every 6 months or less commencing from 1 January 2013.
3. The Project Company may enter into separate sub-electricity supply agreement(s) with each of the Related Parties to set out the detailed provisions in relation to the supply of electricity, provided that the terms of such sub-electricity supply agreement(s) shall be subject to the terms of the Renewed Master Agreement.

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## LETTER FROM THE BOARD

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### RENEWED ANNUAL CAPS AND DETERMINATION

#### Renewed Annual Caps

The Company has aggregated all continuing connected transactions with the Related Parties. The Directors propose that the Renewed Annual Caps of the Renewed Master Agreement for each of the three financial years ending 31 December 2015 will not exceed:

- (i) HK\$33,750,000 for the financial year ending 31 December 2013;
- (ii) HK\$41,250,000 for the financial year ending 31 December 2014; and
- (iii) HK\$48,750,000 for the financial year ending 31 December 2015.

#### Historical transaction amount

The historical transaction amounts for the period from 1 January 2010 to the Latest Practicable Date are as follows:

<b>Amounts in HK\$</b>		
<b>(Audited)</b> <b>For the year ended</b> <b>31 December 2010</b>	<b>(Audited)</b> <b>For the year ended</b> <b>31 December 2011</b>	<b>(Unaudited)</b> <b>For the period from</b> <b>1 January 2012 to</b> <b>30 September 2012</b>
46,174,919	31,056,613	21,301,686

In determining the Renewed Annual Caps of the continuing connected transactions contemplated under the Renewed Master Agreement for each of the three financial years ending 31 December 2015, the Board has taken into account for reference of the following principle factors:

- (i) the historical transaction amounts of the transaction between the Project Company and the Related Parties under the Original Master Agreement;
- (ii) the estimated growth of the transaction volume between the Project Company and the Related Parties; and
- (iii) the tariffs set by the provincial price control bureau of the PRC and applicable to the Project Company since 2011, which is approximately RMB0.4585 per kWh.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFIT OF THE RENEWED MASTER AGREEMENT

The Company is an investment holding company and its subsidiaries are principally engaged in the (i) generation and supply of electricity and heat; and (ii) oil production.

The Project Company has been supplying and selling electricity to the Related Parties. These transactions with the Related Parties are expected to occur on a regular and continuing basis in the ordinary and usual course of business of the Project Company and on normal commercial terms and on terms that are fair and reasonable as far as the Shareholders as a whole are concerned. The Directors believe that it is in the interests of the Company and the Shareholders as a whole to carry on the transactions with the Related Parties to facilitate the operation of the Group's business. The Directors consider that the entering into of the Renewed Master Agreement will allow the Group to secure revenue from its heat and electricity business.

The Directors (excluding the independent non-executive Directors who will be appointed as members of the Independent Board Committee to advise the Independent Shareholders in respect of the Renewed Master Agreement, who will provide their views after considering the opinion of the Independent Financial Adviser) consider that the Renewed Master Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group, and have been negotiated on an arm's length basis between the parties on normal commercial terms. The Directors are of the view that the terms of the Renewed Master Agreement and the Renewed Annual Caps are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

### LISTING RULES IMPLICATIONS

The Company is the holder of 60% of the entire equity interest of the Project Company. Zhongkai Group, as a holder of 40% of the entire equity interest of the Project Company, is a Connected Person under the Listing Rules and each of the Related Parties, is a Connected Person of the Company.

Given that the Related Parties are Connected Persons of the Company, the transactions between the Group and the Related Parties constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As more than one of the applicable percentage ratios (other than the profits ratios) are, on an annual basis calculated with reference to the annual value of the transactions under the Renewed Master Agreement for each of the three years ending 31 December 2015, exceed 5%, the transactions under the Renewed Master Agreement and the Renewed Annual Caps will be subject to the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors will convene the EGM to seek the approval of the Independent Shareholders, amongst other things, on the Renewed Master Agreement and the Renewed Annual Caps. The votes of the Independent Shareholders, amongst other things, to approve the continuing connected transactions.

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## LETTER FROM THE BOARD

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The Company has established an Independent Board Committee to advise the Independent Shareholders as to whether the Renewed Master Agreement and the Renewed Annual Caps are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and also to advise the Independent Shareholders on how to vote at the EGM on the resolutions in respect of the Renewed Master Agreement and the Renewed Annual Caps, after taking into account the recommendations of the Independent Financial Adviser.

In this connection, the Company has appointed an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Renewed Master Agreement and the Renewed Annual Caps.

The Company will disclose information in relation to the continuing connected transaction with the Related Parties in its next published annual report and accounts in accordance with Rule 14A.45 of the Listing Rules.

### THE EGM

A notice convening the EGM to be held at Unit 1508, 15th Floor, the Center, 99 Queen's Road Central, Hong Kong on Friday, 4 January 2013 at 11:00 a.m. is set out on pages 24 to 25 in this circular.

As no Shareholder has any material interest in the Renewed Master Agreement, no Shareholder is required to abstain from voting in the EGM to approve the Renewed Master Agreement and the Renewed Annual Caps.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

### VOTING ARRANGEMENTS

Under the Listing Rules, the Renewed Master Agreement and the Renewed Annual Caps are subject to the approval of the Independent Shareholders. Any connected person with a material interest in the transaction, and any shareholder with a material interest in the transaction and its associates (as defined in the Listing Rules), shall abstain from voting on the resolution approving the Renewed Master Agreement and the Renewed Annual Caps. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting for the Renewed Master Agreement and the Renewed Annual Caps at the EGM.

Pursuant to Rule 13.39 of the Listing Rules, any votes of the Shareholders at the general meeting must be taken by poll. Therefore, the resolution proposed at the EGM will be voted by poll.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Taking into consideration the reasons set out in the paragraphs headed “Reasons for and benefit of the Renewed Master Agreement” above, the Directors (including the independent non-executive Directors) consider that the Renewed Master Agreement and the Renewed Annual Caps are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

### FURTHER INFORMATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on pages 9 to 10 of this circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders in respect of the Agreement set out on pages 11 to 18, and the information set out in the Appendix to this circular.

By order of the board  
**Energy International Investments Holdings Limited**  
**Wang Meiyun**  
*Executive Director*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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### ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED

能源國際投資控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 353)**

*Executive Directors*

Ms. Wang Meiyang  
Mr. Chan Kwok Wing  
Mr. Luo Nianru  
Mr. Wang Donghai  
Mr. Yang Guangming

*Independent non-executive Directors*

Mr. Choi Chi Fai  
Mr. Wang Jinghua  
Mr. Chan Wai Cheung Admiral

*Registered Office*

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal Place  
of Business in Hong Kong*

Unit 1508, 15th Floor  
The Center  
99 Queen's Road Central  
Hong Kong

17 December 2012

*To the Shareholders*

Dear Sir/Madam,

### RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

We refer to the circular of the Company to the Shareholders dated 17 December 2012 (this “**circular**”), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as given to them in the section headed “Definitions” of this circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the Renewed Master Agreement and the Renewed Annual Caps are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole. Quam Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Renewed Master Agreement and the Renewed Annual Caps.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser, as set out on pages 11 to 18 of this circular and the section headed “Letter from the Board” as set out on pages 3 to 8 of this circular.

\* For identification purpose only

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered, amongst other matters, the factors and reasons considered by, and the opinion of Independent Financial Adviser as stated in its letter of advice, we consider that the Renewed Master Agreement and the Renewed Annual Caps are (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) fair and reasonable so far as the Independent Shareholders are concerned and are in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve, among others, Renewed Master Agreement and the Renewed Annual Caps to be proposed at the EGM.

Yours faithfully  
Independent Board Committee  
**Energy International Investments Holdings Limited**

**Mr. Choi Chi Fai**  
*Independent*  
*non-executive Director*

**Mr. Wang Jinghua**  
*Independent*  
*non-executive Director*

**Mr. Chan Wai Cheung Admiral**  
*Independent*  
*non-executive Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of the letter of advice from Quam Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Master Agreement and the Renewed Annual Caps.*



**Quam Capital Limited**

A Member of The Quam Group

*To the Independent Board Committee and  
the Independent Shareholders*

Energy International Investments Holdings Limited  
Unit 1508, 15th Floor  
The Center  
99 Queen's Road Central  
Hong Kong

17 December 2012

Dear Sir or Madam,

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Renewed Master Agreement and the Renewed Annual Caps. Details of the terms of the Renewed Master Agreement and the Renewed Annual Caps are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 17 December 2012 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

The Company is the holder of 60% of the entire equity interest of the Project Company. Zhongkai Group, as a holder of 40% of the entire equity interest of the Project Company, is a Connected Person under the Listing Rules and each of the Related Parties is a Connected Person of the Company. On 5 December 2012, the Project Company and Zhongkai Group entered into the Renewed Master Agreement to renew the Original Master Agreement in relation to the sale and supply of electricity generated by the Project Company to the Related Parties. Pursuant to Chapter 14A of the Listing Rules, the aforesaid transactions between the Project Company and the Related Parties (the "**Continuing Connected Transactions**") constitute continuing connected transactions of the Company. As more than one of the applicable percentage ratios (other than the profits ratio) are, on an annual basis calculated with reference to the Renewed Annual Caps for the Continuing Connected Transactions for each of the three years ending 31 December 2015, exceed 5%, the Continuing Connected Transactions and the Renewed Annual Caps are subject to the reporting, announcement, annual review as well as Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Mr. Choi Chi Fai, Mr. Wang Jinghua and Mr. Chan Wai Cheung Admiral, all being the independent non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether the Renewed Master Agreement and the Renewed Annual Caps are within the Group's ordinary and usual course of business based on normal commercial terms and the Renewed Master Agreement together with the Renewed Annual Caps are fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole; and to advise the Independent Shareholders as to whether to vote in favour of the Renewed Master Agreement and the Renewed Annual Caps. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in this regard.

In formulating our recommendation, we have relied on (i) the information and facts contained or referred to in the Circular, (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the management of the Group and the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations regarding the Group, the Related Parties, the Renewed Master Agreement, the Continuing Connected Transactions, and the Renewed Annual Caps provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the EGM.

We consider that we have reviewed the relevant information currently available to reach an informed view regarding the Renewed Master Agreement and the Renewed Annual Caps and to justify our reliance on the accuracy of the information provided to us and those contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinions expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company and Zhongkai Group or any of their respective subsidiaries or associates.

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# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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## PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of the Renewed Master Agreement and the Renewed Annual Caps, we have taken into consideration the following principal factors and reasons:

### 1. Background of and reasons for the Renewed Master Agreement and the Renewed Annual Caps

The Company is an investment holding company and its subsidiaries are principally engaged in the generation and supply of heat and electricity and the oil production.

Shanxi Zhong Kai Group Lingshi Properties Management Limited (山西中凱集團靈石物業管理有限公司) (“**Properties Limited**”), Shanxi Zhong Kai Lingshi Juyuan Shimohua Limited (山西中凱集團靈石巨源石墨化有限公司) (“**Juyuan Limited**”) and Shanxi Zhong Kai Group Lingshi Power Company Limited (山西中凱集團靈石能源開發有限公司) (“**Power Limited**”), collectively the Related Parties, are the companies established under the laws of the PRC. Properties Limited is principally engaged in the business of property development; Juyuan Limited is principally engaged in the business of production of steel and steel related ancillary products; and Power Limited is principally engaged in the business of steel production.

The Project Company has been supplying and selling electricity to the Related Parties since 2007. As a result of the completion of the acquisition of the entire issued share capital of Sunlight Rise Limited in August 2010 (details of which are set out in the announcement dated 6 September 2010), the Project Company became a subsidiary of the Company, and thus the subsidiaries of Zhongkai Group, namely Properties Limited, Juyuan Limited, Power Limited, Shanxi Zhong Kai Group Lingshi Electrical Engineering Limited (山西中凱集團靈石電建工程有限公司) (“**Electrical Limited**”) and Shanxi Zhong Kai Group Qilin Hotel Limited (山西中凱集團麒麟大酒店有限公司) (“**Qilin Limited**”) (collectively, the “**Previous Related Parties**”) became the connected persons of the Company. On 15 September 2010, the Project Company and Zhongkai Group entered into the Original Master Agreement to govern the continuing connected transactions between the Project Company and the Previous Related Parties for the period until to 31 December 2012.

As advised by the management of the Company, Electrical Limited and Qilin Limited ceased to be the subsidiaries of Zhongkai Group since April 2012 and January 2012 respectively. Since the Original Master Agreement will expire on 31 December 2012, the Project Company and Zhongkai Group have entered into the Renewed Master Agreement on 5 December 2012 to renew the Original Master Agreement.

Based on the information provided by the Company, the Related Parties are important customers of the Group for its business of the supply of electricity, which approximately 49.2%, 50.6% and 36.8% of the total sales of electricity of the Group were attributable to the Related Parties for the three years ended 31 December 2011 respectively. As set out in the Letter from the Board, the unaudited historical transaction amount of the Continuing Connected Transactions for the period from 1 January 2012 to 30 September 2012 was approximately HK\$21,301,686, representing approximately 30.0% of the unaudited total sales of electricity for the relevant period.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Having considered that (i) the Continuing Connected Transactions are revenue in nature; (ii) the long term business relationships with the Related Parties; and (iii) the Original Master Agreement will expire on 31 December 2012 and the Renewed Master Agreement is entered for the purpose of the renewal of the terms and conditions of the Continuing Connected Transactions between the Project Company and the Related Parties, we are of the view that the entering into of the Renewed Master Agreement is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

### **2. Principal terms of the Renewed Master Agreement**

It should be noted that the purpose of the Renewed Master Agreement is to provide a framework of the agreed general terms and conditions governing the Continuing Connected Transactions, and each of the Continuing Connected Transactions to be undertaken by the Group shall be subject to specific terms and conditions (including the pricing terms) under a sub-electricity supply agreement to be entered into between the Group and the Related Parties. The terms and conditions of such sub-electricity supply agreements will be determined based on the principles contained in the Renewed Master Agreement and are subject to mutual agreement between the relevant parties.

Set out below are the principal terms of the Renewed Master Agreement:

#### ***(i) Nature of the Continuing Connected Transactions***

Pursuant to the Renewed Master Agreement, the Project Company agreed to supply, and Zhongkai Group and the Related Parties agreed to purchase, such amount of electricity generated by the Project Company which Zhongkai Group or any of the Related Parties may request from time to time, subject to the terms of the Renewed Master Agreement and the Renewed Annual Caps.

#### ***(ii) Condition precedent***

The Renewed Master Agreement is conditional upon the Company having convened an extraordinary general meeting at which resolutions shall have been duly passed by the Independent Shareholders to approve the Renewed Master Agreement and the transactions contemplated thereunder.

#### ***(iii) Duration***

The Renewed Master Agreement has a fixed term which will commence on the date on which resolutions have been duly passed by the Independent Shareholders to approve the Renewed Master Agreement and the transactions contemplated thereunder and will end on 31 December 2015.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(iv) Pricing basis*

The Continuing Connected Transactions will be conducted at a price which will be determined on an arm's length basis with reference to the prevailing market price and the tariffs set by the provincial price control bureau of the PRC.

We consider that the pricing basis for the Continuing Connected Transactions pursuant to the Renewed Master Agreement is fair and reasonable so far as the Company and the Independent Shareholders are concerned, after taking into consideration the following:

- that the selling prices for the Continuing Connected Transactions to be entered during the term of the Renewed Master Agreement will be determined between the relevant parties on an arm's length basis with reference to the prevailing market price and the tariffs set by the provincial price control bureau of the PRC;
- that the pricing basis for the Continuing Connected Transactions is in line with that for similar transactions undertaken between the Project Company and its major independent customers; and
- that the tariffs set out by the provincial price control bureau of Shanxi Province of the PRC is applicable to the electricity supply transactions under the Continuing Connected Transactions.

We have also reviewed sample copies of invoices issued by the Project Company to the Related Parties and compared them with those issued to the independent third parties for transactions in similar types and natures. Based on the reviews, we noted that the selling prices charged to the Related Parties are comparable to those charged to independent third parties.

*(v) Credit term*

Zhongkai Group has agreed to, and agreed to procure the Related Parties to, fully settle the price payable by Zhongkai Group and the Related Parties within 7 days from the date of receipt of the bill issued by the Project Company. Pursuant to the Renewed Master Agreement, the Project Company will issue a bill to Zhongkai Group and the Related Parties for the supply of electricity in the relevant period every 6 months or less commencing from 1 January 2013.

We have reviewed the sub-electricity agreements with the Related Parties and the agreements of certain major independent customers of the Project Company for the supply of electricity and noted that the credit term granted to the Related Parties is in line with those of such major independent customers.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*(vi) Other major terms of the Renewed Master Agreement*

We have also reviewed the other major terms of the Renewed Master Agreement, including that the Project Company may enter into separate sub-electricity supply agreement(s) with each of the Related Parties to set out the detailed provisions in relation to the supply of electricity, provided that the terms of such sub-electricity supply agreement(s) shall be subject to the terms of the Renewed Master Agreement, and are not aware of any terms which are exceptional to normal market practice.

In light of the foregoing, we are of the opinion that the terms of the Renewed Master Agreement are fair and reasonable so far as the Company and the Independent Shareholders are concerned, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### 3. The Renewed Annual Caps

*(a) Historical transaction amounts*

	Amounts in HK\$		For the period from 1 January 2012 to 30 September 2012 (Unaudited)
	For the year ended 31 December		
	2010 (Audited)	2011	
Total sales of electricity to the Related Parties	<u>46,174,919</u>	<u>31,056,613</u>	<u>21,301,686</u>

Based on the amount of the historical transaction amount between the Project Company and the Related Parties for the nine months ended 30 September 2012, the annualized transaction amount between the Project Company and the Related Parties for the year ending 31 December 2012 is estimated to be approximately HK\$28.4 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**(b) Basis of determination**

The Board proposes that the Renewed Annual Caps for the income to be derived from the Continuing Connected Transactions for the each of the three years ending 31 December 2015 shall be HK\$33,750,000, HK\$41,250,000 and HK\$48,750,000 respectively.

We note that in determining the Renewed Annual Caps, the Board has taken into account the following principal factors:

- (i) the historical transaction amounts of the transactions between the Project Company and the Related Parties under the Original Master Agreement;
- (ii) the estimated growth of the transaction volume between the Project Company and the Related Parties; and
- (iii) the tariffs set by the provincial price control bureau of the PRC and applicable to the Project Company since 2011, which is approximately RMB0.4585 per kWh.

In our assessment of the reasonableness and fairness of the Renewed Annual Caps, we have discussed with the management of the Company on the above factors and the underlying principal assumptions and bases considered in the determination of the Renewed Annual Caps including (i) the historical transaction amounts between the Project Company and the Related Parties; (ii) the basis of the expected increase in demand by the Related Parties; and (iii) no major fluctuation in the tariffs prescribed by the provincial price control bureau of the Shanxi Province is expected before the end of 2015. We concur with the view of the Board that it will be reasonable and in the interests of both the Company and the Shareholders to set the Renewed Annual Caps at the proposed levels, after taking into consideration the following:

- (i) the historical transaction amounts between the Project Company and the Related Parties for the two years ended 31 December 2011 amounted to approximately HK\$46.2 million and HK\$31.1 million respectively; and the annualized transaction amount between the Project Company and the Related Parties for the year ending 31 December 2012 is estimated to be HK\$28.4 million based on the historical transaction amount of approximately HK\$21.3 million for the nine months ended 30 September 2012;
- (ii) the estimated growth in demand for electricity by the Related Parties, after taking into account, among others, (a) the expected decrease in electricity sales to Juyuan Limited resulting from the suspension of its operation; and (b) the expected increase in electricity sales to Power Limited and Properties Limited;
- (iii) no material change in the historical electricity prices prescribed by the provincial price control bureau of the Shanxi Province for the past three years;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (iv) according to the National Bureau of Statistics of China, the China's nominal gross domestic product per capita increased from RMB16,500 in 2006 to RMB34,999 in 2011, represent a compound annual growth rate of approximately 16.2%; and
- (v) the fluctuation in the demand of electricity by each of the Related Parties for the three years ended 31 December 2011.

Having considered the above, we are of the view that the Renewed Annual Caps were set by the Board after due and careful consideration and are fair and reasonable so far as the Shareholders are concerned and in the interests of both the Company and the Shareholders as a whole.

### RECOMMENDATION

Having considered the principal factors and reasons discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):–

- the nature of the Continuing Connected Transactions and the core business of the Project Company;
- that the Continuing Connected Transactions are revenue generating in nature;
- that the entering into of the Renewed Master Agreement is beneficial to both the Company and the Shareholders as it would enable the Group to maintain the business relationship with the Related Parties who are expected to continue contributing a significant revenue stream for its electricity generation and supply business;
- that the pricing basis as provided under the Renewed Master Agreement is fair and reasonable; and
- that the Renewed Annual Caps have been set by the Board after due and careful considerations, at levels which will be in the interests of both the Company and the Shareholders,

we consider that the Renewed Master Agreement has been entered into within the ordinary and usual course of the Group's business based on normal commercial terms and the terms and conditions thereof together with the Renewed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Renewed Master Agreement (including the Continuing Connected Transactions) and the adoption of the Renewed Annual Caps.

Yours faithfully,  
For and on behalf of  
**Quam Capital Limited**  
**Gary Mui**  
*Managing Director*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in the 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 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 therein or this circular misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following the issue and allotment of the Consideration Shares will be, as follows:

### As at the Latest Practicable Date

<i>Authorised share capital:</i>	<b>Amount</b> <i>HK\$</i>
<u>50,000,000,000</u> Shares	<u>500,000,000</u>
<i>Issued and fully paid share capital:</i>	
<u>15,158,492,126</u> Shares	<u>151,584,921</u>

All the issued shares in the capital of the Company rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Company had no debt securities in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company has (i) 4,946,000,000 conversion shares to be issued and allotted pursuant to conversion of the tranche 1 zero coupon convertible bonds in the registered form comprising an aggregate principal amount of HK\$395,680,000 issued by the Company on the basis of an exercise price of HK\$0.08 per Share; and (ii) 2,358,491 conversion shares to be issued and allotted pursuant to conversion of the tranche 3 zero coupon convertible bonds in the registered form comprising an aggregate principal amount of HK\$500,000 issued by the Company on the basis of an exercise price of HK\$0.212 per Share.

Save as disclosed, the Company does not have any other outstanding derivatives, options, warrants and conversion rights or similar rights or securities in issue which are convertible or exchangeable into Shares.

The Shares in issue are listed on the Stock Exchange. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. There is no arrangement under which future dividends are waived or agreed to be waived.

**3. DISCLOSURE OF INTERESTS****Interest of Directors in the Company**

As at the Latest Practicable Date, none of the Directors or any chief executive of the Company had an 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 would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange.

**Service contracts**

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any 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).

**Interests in other competing business**

Each of the Directors has confirmed that he and their respective associates (as defined under the Listing Rules) do not have any interests in a business apart from the Group's business which directly competes with and will have material adverse impact on the Group.

**Interests in assets**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2011, being the date to which the latest published audited accounts of the Company were made up.

**Interests in contract or arrangement**

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

## 4. SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at the Latest Practicable Date, the following persons (other than a director or chief executive of the Company) had an interest or a short position in the shares and underlying shares of the Company:

Name of Shareholders	Nature of interest	Interest in Shares	Interest in underlying Shares	Aggregate interest	Approximate percentage <sup>#</sup>	Notes
Mr. Liu Ran	Interest of controlled corporation	4,478,000,000	9,222,000,000	13,700,000,000	90.59%	1
Giant Crystal Limited	Beneficial owner	4,478,000,000	9,222,000,000	13,700,000,000	90.59%	1
Mr. Chim Pui Chung	Interest of controlled corporation	65,498,386	2,310,000,000	2,375,498,386	17.31%	2
Golden Mount Ltd.	Beneficial owner	65,498,386	2,310,000,000	2,375,498,386	17.31%	2

<sup>#</sup> *Percentage which the aggregate long position in the Shares or underlying Shares represents to the issued share capital of the Company of 15,158,492,126 Shares as at the Latest Practicable Date.*

*Notes:*

1. Giant Crystal Limited is a company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Liu Ran. Mr. Liu Ran therefore deemed to be interested in 4,478,000,000 shares and 9,222,000,000 underlying shares held by Giant Crystal Limited.

9,222,000,000 underlying Shares consist of shares to be issued upon the conversion of (i) the outstanding Tranche 1 Bonds (as defined in the circular of the Company dated 11 October 2010) (which, based on the conversion price of HK\$0.08 per Share, can be converted into 2,636,000,000 Shares); and (ii) the Tranche 2 Bonds (as defined in the circular of the Company dated 11 October 2010) (which, based on the conversion price of HK\$0.08 per Share, can be converted into 6,586,000,000 Shares). However, the Tranche 2 Bonds has not been issued. Please refer to the Company's circular dated 11 October 2010 for details of the principal terms of the Tranche 1 Bonds and the Tranche 2 Bonds.

2. Golden Mount Ltd. is a company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Chim Pui Chung. Mr. Chim Pui Chung therefore deemed to be interested in 2,375,498,386 shares held by Golden Mount Ltd..

All the interests stated above represent long positions in the ordinary Shares of the Company. As at the Latest Practiced Date, no short positions were recorded in the register maintained by the Company under section 336 of the SFO.

As far as the Directors are aware, no other person had an interest or short position in the Company's shares or 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 which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## 5. EXPERT AND CONSENT

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

Name	Qualification
Quam Capital Limited	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with copy of its letter and the reference to its name and its advice included in this circular in the form and context in which they respectively appear.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not possess any direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2011, being the date to which the latest published audited consolidated accounts of the Group were made up.

## 6. LITIGATION

### Tarim Basin

In September 2009, an independent party (the “**Plaintiff**”) undertook a legal action against and filed a claim to a group of three parties. These three parties are referred to as the “**First Defendant**”, the “**Second Defendant**” (i.e. China Era Energy Power Investment Limited (“**China Era**”)) and the “**Third Defendant**” (collectively referred to as the “**Defendants**”). The First Defendant was an ex-director of China Era and the Third Defendant was a related company of First Defendant as the First Defendant was a director of both China Era and the Third Defendant at that time.

Based on the statement of claims, the Plaintiff alleged that China Era entered into an agreement in May 2007 with the Plaintiff relating to a production sharing agreement for an exploration and exploitation project that related to an oilfield located at the North and South Kashi Blocks on Tarim Basin in Xinjiang, the PRC. The Plaintiff further alleged that a tender was submitted in June 2007 for the North and South Kashi Blocks on Tarim Basin (the “**Tender**”) but was rejected by PetroChina Company Limited for political reason only. The contract for the North Kashi Block on Tarim Basin was subsequently awarded to the Third Defendant in December 2008 (the “**Kashi Contract**”). The Plaintiff alleged that the Tender contained confidential information beneficially belonging to the Plaintiff which was disclosed by China Era to the Third Defendant to secure the Kashi Contract to the exclusion of the Plaintiff, in breach of its duty of confidence and/or fiduciary duties owed to the Plaintiff.

The Defendants filed defence on 14 December 2009 where the Defendants denied the claim made by the Plaintiff.

On 20 December 2011, the Plaintiff and the Defendants entered into a settlement agreement in which the Defendants agreed to pay a settlement sum of US\$1,800,000 (approximately HK\$14,040,000) to the Plaintiff and the Plaintiff agreed to discontinue the claim by filing a consent order to the Court after receiving the settlement sum. Accordingly, the indemnification assets of HK\$14,040,000 and the provision for legal claims of HK\$14,040,000 have been reversed in the six months period ended 30 June 2012.

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

#### **7. MATERIAL CONTRACTS**

Within the two years immediately preceding the date of this circular, no agreement, being contracts not entered into in the ordinary course of business, has been entered into by members of the Group and is or may be material.

#### **8. MATERIAL ADVERSE CHANGES**

The Directors are not aware of any material adverse changes in the financial or trading position or prospects of the Group since 31 December 2011, being the date to which the latest audited consolidated financial statements of the Group were made up.

#### **9. MISCELLANEOUS**

- (a) The company secretary of the Company is Mr. Wong Siu Keung, Joe, an associate member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The head office and principal place of business in Hong Kong is Unit 1508, 15th Floor, the Center, 99 Queen's Road Central, Hong Kong.
- (d) The principal share registrar of the Company is HSBC Trustee (Cayman) Limited at P.O. Box 484, HSBC House, 68 West Bay Road, Grand Cayman, KY1-1106, Cayman Islands.
- (e) The branch share registrar of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (f) The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

#### **10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Renewed Master Agreement will be available for inspection on any weekday (Saturdays and public holidays excepted) during 9:30 a.m. to 5:00 p.m. at the head office of the Company at Unit 1508, 15th Floor, the Center, 99 Queen's Road Central, Hong Kong from the date of this circular up to and including the date of the EGM.

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## NOTICE OF EGM

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### ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED

能源國際投資控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 353)**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of Energy International Investments Holdings Limited (the “**Company**”) will be held at Unit 1508, 15th Floor, the Center, 99 Queen’s Road Central, Hong Kong on Friday, 4 January 2013 at 11:00 a.m. to consider and, if thought fit, pass the following resolution, with or without amendments, as ordinary resolution of the Company:

“**THAT**

- (1) the agreement dated 5 December 2012 (the “**Renewed Master Agreement**”) (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) entered into between 山西中凱集團靈石熱電有限公司 (Shanxi Zhong Kai Group Lingshi Heat and Power Company Limited) (the “**Project Company**”) and 山西中凱實業集團有限公司 (in English, for identification purpose only, Shanxi Zhongkai Industry Group Company Limited) (“**Zhongkai Group**”) in relation to the sale and supply of electricity generated by the Project Company to Zhongkai Group and its subsidiaries, including Shanxi Zhong Kai Group Lingshi Properties Management Limited, Shanxi Zhong Kai Lingshi Juyuan Shimohua Limited and Shanxi Zhong Kai Group Lingshi Power Company Limited, be and are hereby approved, confirmed and ratified;
- (2) the directors of the Company be and are hereby authorised to sign and execute such documents and do all such acts and things incidental to the Renewed Master Agreement or they consider necessary, desirable, or expedient in connection with the implementation of or giving effect to the Renewed Master Agreement and the transactions contemplated thereunder; and
- (3) the Renewed Annual Caps (as defined in the circular of the Company dated 17 December 2012 (the “**Circular**”), a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification) for the transactions contemplated under the Renewed Master Agreement for the three years ending 31 December 2015 as shown in the Circular, be and are hereby approved.”

By order of the board of directors of  
**Energy International Investments Holdings Limited**  
**Wang Meiyang**  
*Executive Director*

Hong Kong, 17 December 2012

\* For identification purpose only

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## NOTICE OF EGM

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*Notes:*

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a registered shareholder of the Company.
3. In order to be valid, the form of proxy must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint holders of any shares in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.