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If you have sold all your shares in Chuang's China Investments Limited, you should at once hand this circular and the accompanying 2016 Annual Report and form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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Chuang's China Investments Limited
(莊士中國投資有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 298)

Directors:

Mr. Abraham Shek Lai Him G.B.S., J.P.* (*Chairman*)
Miss Ann Li Mee Sum (*Deputy Chairman*)
Mr. Albert Chuang Ka Pun (*Managing Director*)
Mr. Chong Ka Fung (*Deputy Managing Director*)
Mr. Sunny Pang Chun Kit
Mr. Peter Lo Wing Cheung
Mr. David Chu Yu Lin S.B.S., J.P.*
Mr. Andrew Fan Chun Wah J.P.*

* *Independent non-executive directors*

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Hong Kong

28th July, 2016

To the shareholders,

Dear Sir or Madam,

**PROPOSALS INVOLVING (I) RE-ELECTION OF RETIRING DIRECTORS AND
CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE
DIRECTOR WHO HAS SERVED MORE THAN NINE YEARS AND
(II) GRANT OF GENERAL MANDATE TO REPURCHASE SHARES**

1. INTRODUCTION

It is proposed that at the annual general meeting (the "Annual General Meeting") of Chuang's China Investments Limited (the "Company", together with its subsidiaries, the "Group") to be held at Chater Room, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Wednesday, 31st August, 2016 at 10:00 a.m., resolutions will be proposed for (i) the re-election of the retiring directors as directors of the Company (the

“Director(s)”) and the continuous appointment of an independent non-executive director who has served more than nine years and (ii) the grant to the board of directors (the “Board”) of the Company a general mandate to repurchase shares of HK\$0.05 each (the “Shares”) of the Company. This circular gives the information reasonably necessary to enable shareholder(s) of the Company (the “Shareholder(s)”) to make an informed decision on whether to vote for or against the above resolutions. The Board has confirmed that having made all reasonable enquiries, no Shareholder is required to abstain from voting on any of the proposed resolutions under Rule 2.17 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. PROPOSED RE-ELECTION OF DIRECTORS AND CONTINUOUS APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR

In accordance with Bye-law nos. 86(2) and 86(3) of the Bye-laws of the Company and Appendix 14 of the Listing Rules, three Directors, Mr. Chong Ka Fung, Mr. David Chu Yu Lin and Mr. Andrew Fan Chun Wah will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting.

According to code provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, if an independent non-executive director serves more than nine years, any further appointment of such independent non-executive director should be subject to a separate resolution to be approved by the Shareholders.

Set out below are the biographical details of the three retiring Directors proposed to be re-elected and the Board’s opinion on the continuous appointment of an independent non-executive director who has served more than nine years:

Mr. Chong Ka Fung (“**Mr. Edwin Chong**”) (aged 31), the Deputy Managing Director, is responsible for assisting the Managing Director of the Company in the overall day-to-day operation of the Group. Mr. Edwin Chong has over 6 years of experience in architecture, interior design and general management. He is also a member of the corporate governance committee of the Company and the joint managing director of Chuang’s Consortium International Limited (“CCIL”) which is the holding company of the Company and is listed on the Stock Exchange. He holds a Bachelor degree of Fine Arts in Architecture Design covering architecture; interior; and urban planning. He is a director of The Chinese General Chamber of Commerce and the Hong Kong Chang Sha Chamber of Commerce, the vice chairman of Youth Committee of the Hong Kong Huian Natives Association, a committee member of the Hunan Youth Federation, and a member of The Y. Elites Association Limited, the China Green Building (Hong Kong) Council and the Hong Kong-Shanghai Youth Exchange Promotion Association. Mr. Edwin Chong is the son of Mr. Alan Chuang Shaw Swee (“Mr. Alan Chuang”), the controlling shareholder and the chairman of CCIL and the brother of Mr. Albert Chuang Ka Pun, the Managing Director of the Company. He joined the Group in 2012 and is also a director of certain subsidiaries of the Company and CCIL being responsible for the overall management of these subsidiaries. He also holds directorships in certain private companies beneficially owned by Mr. Alan Chuang.

Mr. David Chu Yu Lin (“**Mr. Chu**”), S.B.S., J.P. (aged 72) was appointed as an independent non-executive director in October 1997, and subsequently appointed as a member of the audit committee of the Company in November 1999, and a member of the nomination committee and the remuneration committee of the Company in April 2005. Mr. Chu has extensive experience in finance, banking and property investment. He holds a Bachelor of Science degree and a Master of Science degree, both from Northeastern University, and a Master of Business Administration degree from Harvard University. Mr. Chu was conferred with an Honorary Doctorate Degree in Public Service by the Northeastern University. He is also an independent non-executive director and a member of the nomination committee and the remuneration committee of CCIL, and an independent non-executive director of AVIC International Holding (HK) Limited and Zhuhai Holdings Investment Group Limited, all are listed on the Stock Exchange. Mr. Chu was elected as a deputy of the Hong Kong Special Administrative Region to the 10th National Congress of the People’s Republic of China.

Mr. Chu has acted as an independent non-executive director for more than nine years. The Company has received from Mr. Chu a confirmation of his independence according to Rule 3.13 of the Listing Rules. Throughout his directorship with the Company, Mr. Chu has participated in Board meetings to give impartial advice and exercise independent judgement, served on various committees of the Board but has never engaged in any executive management. Taking into consideration of the independent nature of his role and duties in the past years, the Board considers Mr. Chu to be independent under the Listing Rules although he has served the Company for more than nine years. The Board also believes that the continuous appointment of Mr. Chu as an independent non-executive director will help to maintain the stability of the Board as Mr. Chu has, over time, gained valuable insights into the business strategy and policies of the Group.

Mr. Andrew Fan Chun Wah (“**Mr. Fan**”), J.P. (aged 37) was appointed as an independent non-executive director in January 2013, and subsequently appointed as a member of the audit committee, the nomination committee and the remuneration committee of the Company in March 2013. Mr. Fan is a practising certified public accountant in Hong Kong with over 10 years of experience. He holds a Bachelor degree of Business Administration (accounting and finance) and a Bachelor degree in Laws. Mr. Fan is a member of the Association of Chartered Certified Accountants in the United Kingdom and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Fan is an independent non-executive director of LT Commercial Real Estate Limited, Sinomax Group Limited, Fulum Group Holdings Limited, Culturecom Holdings Limited, Hong Kong Resources Holdings Company Limited, On Real International Holdings Limited and Nameson Holdings Limited, all are listed on the Stock Exchange. He is also a committee member of the tenth and eleventh Chinese People’s Political Consultative Conference of the Zhejiang Province, the fourth and fifth Chinese People’s Political Consultative Conference of Shenzhen and the vice chairman of Zhejiang Province United Youth Association. Mr. Fan had been an independent non-executive director of CIG Yangtze Ports PLC and Milan Station Holdings Limited, the shares of which are listed on the Stock Exchange.

Mr. Edwin Chong has no service contract nor any specified length or proposed length of service with the Company. The Director’s fee entitled by Mr. Edwin Chong is HK\$20,000 per annum, subject to adjustment as appropriate to be determined by the Board. Each of Mr. Chu and Mr. Fan has a service contract with the Company for a term of 3 years subject to re-

election. The Director's fee entitled by each of Mr. Chu and Mr. Fan is HK\$120,000 per annum, subject to adjustment as appropriate to be determined by the Board. The Directors' fees were determined by reference to the Directors' duties and experience as well as the related payments made by the Company in previous years.

All the Directors mentioned above are subject to retirement by rotation and re-election at least once every 3 years pursuant to Appendix 14 of the Listing Rules and the Bye-laws of the Company.

Except as mentioned above, all Directors subject to re-election have no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance, no relationship with any other Directors, senior management, substantial or controlling Shareholders and no further information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Board be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid Shares of the Company. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution.

An explanatory statement to provide Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed resolution as required by the Listing Rules concerning the regulation of repurchases by companies of their own securities on the Stock Exchange is set out below.

As at 18th July, 2016 (the "Latest Practicable Date"), there were in issue an aggregate of 2,431,715,316 Shares. Exercising in full of the mandate, on the basis that no further Shares shall be issued and repurchased prior to the date of the Annual General Meeting, could accordingly result in up to 243,171,531 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the date by which the next annual general meeting of the Company is required to be held by the Bye-laws of the Company or any applicable law or (iii) the revocation or variation of authority given under the ordinary resolution of the Shareholders in general meeting of the Company.

Reasons for the repurchases

The Board considers that the mandate will provide the Company with the flexibility to make Shares repurchases when appropriate and beneficial to the Company. Such repurchases may enhance the net asset value per Share and/or earnings per Share. As compared with the financial position of the Company as at 31st March, 2016 (being the date of the latest published audited accounts of the Company), the Board considers that there may be adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

However, the Board does not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Board are from time to time appropriate for the Company.

Funding of the repurchases

The Company is empowered by its Memorandum of Association of the Company (“Memorandum of Association”) and Bye-laws to repurchase its Shares and in repurchasing Shares, may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the laws of Bermuda. Bermuda law provides that the amount of capital paid in connection with the share repurchases may only be paid out of either the capital paid up on the shares to be repurchased, the funds of the company otherwise available for distribution or the proceeds of a new issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of the funds of the Company otherwise available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company. In accordance with the Listing Rules, the listing of all Shares which are repurchased by the Company (whether on the Stock Exchange or otherwise) shall be automatically cancelled upon repurchase and the Company would apply for listing of any further issue of Shares in the normal way.

Assuming that there is no further issue of Shares between the Latest Practicable Date and the date of repurchase, the exercise of the general mandate to repurchase Shares whether in whole or in part will not result in less than 25 per cent. of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules.

Directors, their close associates and core connected persons

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of their close associates has any present intention, in the event that the proposal is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries nor has he/she undertaken not to sell any of the Shares held by him/her to the Company or its subsidiaries in the event that the Company is authorized to make repurchases of Shares.

Undertaking of the Board

The Board has undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, the laws of Bermuda and in accordance with the regulations set out in the Memorandum of Association and Bye-laws.

Effect of takeovers code

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of The Code on Takeovers and Mergers ("Takeovers Code") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for Shares under Rules 26 and 32 of Takeovers Code.

As at the Latest Practicable Date, CCIL, through its subsidiaries, held approximately 56.00 per cent. of the issued share capital of the Company. In the event that the Board were to exercise in full the power to repurchase Shares which is to be granted pursuant to the proposed resolution, the shareholding of CCIL would increase to approximately 62.22 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

Shares repurchase made by the Company

The Company has not purchased any of its securities (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

During each of the twelve months from July 2015 up to and including the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:

Month	Shares Traded Price (HK\$)	
	Highest	Lowest
July 2015	0.560	0.460
August 2015	0.530	0.465
September 2015	0.490	0.440
October 2015	0.495	0.440
November 2015	0.480	0.460
December 2015	0.480	0.455
January 2016	0.470	0.380
February 2016	0.410	0.380
March 2016	0.406A	0.315A
April 2016	0.335	0.305
May 2016	0.325	0.310
June 2016	0.400	0.320
July 2016 (up to and including the Latest Practicable Date)	0.415	0.355

4. 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 misleading.

5. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed in the annual report of the Company for the year ended 31st March, 2016 despatched together with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the said proxy form and return it to the Company's share registrar in Hong Kong, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General 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 Annual General Meeting if you so desire.

6. VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Bye-law no. 65 of the Bye-laws of the Company and Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

7. RECOMMENDATION

The Board believes that (i) the re-election of the retiring Directors and the continuous appointment of an independent non-executive director who has served more than nine years and (ii) the grant of general mandate for the Board to repurchase Shares are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions set out in the notice of the Annual General Meeting.

Yours faithfully,
For and on behalf of
Chuang's China Investments Limited
Albert Chuang Ka Pun
Managing Director