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 your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Treasure (Greater China) Investments Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

China Treasure
(Greater China) Investments Limited
華寶（大中華）投資有限公司*

(Continued into Bermuda with limited liability)
(Stock Code: 810)

PROPOSED RIGHTS ISSUE OF 111,240,000 SHARES AT HK$0.1 PER RIGHTS SHARE ON THE BASIS OF NINE RIGHTS SHARES FOR EVERY SHARE HELD ON THE RECORD DATE AND CHANGE IN BOARD LOT SIZE

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

AMS Corporate Finance Limited

A letter from the Independent Board Committee is set out on page 21 of this circular. A letter from AMS containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 34 of this circular.

A notice convening the SGM which is to be held at Rooms 1910-1913, Hutchison House, 10 Harcourt Road, Central, Hong Kong at 11:00 a.m. on Friday, 23 March 2007 is set out on pages 73 to 74 of this circular. A form of proxy for use by the Shareholders at the SGM is enclosed herein. Whether or not you intend to attend and vote at the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjourned meeting should you so wish.

Shareholders should note that the Underwriting Agreement contains provisions entitling the Underwriter to terminate its obligations thereunder if at any time prior to the Latest Time for Termination:

(a) the Underwriter becomes aware of the fact that there shall develop, occur, exist or come into effect:

   (i) any new law or regulation or any change in existing laws or regulations in Hong Kong or any other place that is the place of incorporation of the Company, or in which the Company conducts or carries on business; or

   (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or

   (iii) any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or

   (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out

   and in the reasonable opinion of the Underwriter, such change has or would have a material and adverse effect on the business, financial or trading position or prospects of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue; or

(b) there comes to the notice of the Underwriter that the Company has committed any breach of or omits to observe any of its obligations or undertakings under the Underwriting Agreement, and such breach or omission will have a material and adverse effect of the business, financial or trading position or prospect of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

It should be noted that Shares will be dealt in on ex-entitlement basis as from Thursday, 15 March 2007 and dealings in the Rights Shares in their nil-paid form are expected to take place from Wednesday, 28 March 2007 to Wednesday, 4 April 2007 (both dates inclusive). If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. Any person contemplating buying or selling of the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed.

* *For identification purpose only*

6 March 2007

TERMINATION OF UNDERWRITING AGREEMENT

Shareholders should note that the Underwriting Agreement contains provisions entitling the Underwriter to terminate its obligations thereunder if at any time prior to the Latest time for Termination:

(a) the Underwriter becomes aware of the fact that there shall develop, occur, exist or come into effect:

(i) any new law or regulation or any change in existing laws or regulations in Hong Kong or any other place that is the place of incorporation of the Company, or in which the Company conducts or carries on business; or

(ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or

(iii) any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or

(iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out

and in the reasonable opinion of the Underwriter, such change has or would have a material and adverse effect on the business, financial or trading position or prospects of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue; or

(b) there comes to the notice of the Underwriter that the Company has committed any breach of or omits to observe any of its obligations or undertakings under the Underwriting Agreement, and such breach or omission will have a material and adverse effect of the business, financial or trading position or prospect of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

In any of such cases, the Underwriter may terminate the Underwriting Agreement without liability to the Company by giving notice in writing to the Company, served prior to the Latest Time for Termination.

CONTENTS

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

"AMS"	AMS Corporate Finance Limited, a corporation licensed to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, who has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect to the Rights Issue
"Announcement"	the announcement of the Company dated 12 February 2007 relating to, amongst other things, the Rights Issue and the Change In Board Lot Size
"associates"	has the meaning ascribed thereto in the Listing Rules
"Board"	the board of Directors
"Business Day"	a day on which banks in Hong Kong are open for general business other than a Saturday or Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
"Bye-laws"	the bye-laws of the Company adopted upon continuation into Bermuda and in force from time to time
"Capital Reorganisation"	the capital reorganisation of the Company, involving the consolidation of every 10 shares of the Company of HK$0.1 each into 1 consolidated share of HK$1.0 each; the reduction of the nominal value of the issued consolidated shares from HK$1.0 to HK$0.01 per Share; the subdivision of each authorized but unissued consolidated share into 100 Shares; and the cancellation of the entire amount standing to the credit of the share premium account of the Company as at 30 June 2006, which became effective on 8 February 2007, details of which were set out in the circular of the Company dated 15 December 2006
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC

"Change in Board Lot Size"	the proposed change in the board lot size of the Company from 2,000 Shares to 5,000 Shares
"Company"	China Treasure (Greater China) Investments Limited, an exempted company continued into Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules
"Director(s)"	the director(s) of the Company
"Excluded Shareholder(s)"	those Overseas Shareholder(s) whom the Directors, after making relevant enquiry as required under the Listing Rules, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	a committee of the Board, comprising Mr. Shiu Kwok Keung, Mr. Chen Man Lung and Ms. Yin Ling, being the independent non-executive Directors, constituted to advise the Independent Shareholders on the Rights Issue
"Independent Shareholder(s)"	Shareholders other than Mr. Li and his associates
"Last Trading Day"	Friday, 2 February 2007, the last day on which the shares of the Company were traded on the Stock Exchange immediately preceding the publication of the Announcement
"Latest Practicable Date"	2 March 2007, being the latest practicable date for ascertaining certain information for inclusion in this circular
"Latest Time for Acceptance"	4:00 p.m. on Thursday, 12 April 2007 or such later date as may be agreed by the Company and the Underwriter, being the latest time for payment for and acceptance of the Rights Shares

"Latest Time for Termination"	4:00 p.m. on Tuesday, 17 April 2007, being the third Business Day after the Latest Time for Acceptance of the Rights Shares
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"Mr. Li"	Mr. Li Ji Ning, an executive director and the chairman of the Company, and the legal and beneficial owner of 1,810,000 Shares as at the Latest Practicable Date
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are in (a) place(s) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) to be used in connection with the Rights Issue
"Prospectus"	a prospectus containing details of the Rights Issue to be issued by the Company
"Prospectus Documents"	the Prospectus and PAL
"Prospectus Posting Date"	Monday, 26 March 2007, or such other date as may be agreed by the Company and the Underwriter
"Qualifying Shareholder(s)"	Shareholder(s), other than the Excluded Shareholder(s), whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
"Record Date"	Friday, 23 March 2007, the date by reference to which entitlements under the Rights Issue will be determined
"Rights Issue"	the issue of the Rights Shares on the basis of nine (9) Rights Shares for every Share held at the close of business on the Record Date at the Subscription Price
"Rights Shares"	111,240,000 new Shares to be issued under the Rights Issue
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held to approve, among other things, the Rights Issue

"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company, which has taken into account of the Capital Reorganisation having become effective on 8 February 2007
"Shareholder(s)"	holder(s) of the Share(s)
"Shortfall Underwritten Shares"	the Underwritten Shares not accepted by Shareholders or transferees of the nil-paid Rights Shares for which duly completed PALs (accompanied by cheques or banker's cashier orders for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before the Latest Time for Acceptance of the Rights Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the subscription price of HK$0.1 per Rights Share pursuant to the Rights Issue
"Underwriter"	Kingston Securities Limited, a company incorporated in Hong Kong
"Underwriting Agreement"	the agreement dated 8 February 2007 entered into between the Company and the Underwriter relating to the underwriting in respect of the Rights Issue
"Underwritten Shares"	94,950,000 Rights Shares, being all the Rights Shares issued in the Rights Issue less those Rights Shares to be provisionally allotted to Mr. Li on an assured basis which have been undertaken to be accepted and subscribed by him
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent

EXPECTED TIMETABLE

The timetable below is indicative only and may be varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published by way of public announcement.

	2007 *(Note)*
Last day of dealings in the Shares on a cum-entitlement basis	Wednesday, 14 March
First day of dealings in the Shares on an ex-entitlement basis	Thursday, 15 March
Latest time for lodging transfer of Shares for entitlement to the Rights Issue	4:00 p.m. on Friday, 16 March
Latest time for lodging proxy forms for the SGM	11:00 a.m. on Wednesday, 21 March
Book closure period (both dates inclusive)	Monday, 19 March to Friday, 23 March
SGM	11:00 a.m. on Friday, 23 March
Record Date	Friday, 23 March
Register of members re-opens	Monday, 26 March
Announcement of results of SGM	Monday, 26 March
Despatch of Prospectus Documents	Monday, 26 March
First day of dealings in nil-paid Rights Shares	Wednesday, 28 March
Latest time for splitting nil-paid Rights Shares	4:00 p.m. on Friday, 30 March
Last day of dealings in nil-paid Rights Shares	Wednesday, 4 April
Latest time for payment for and acceptance of the Rights Shares	4:00 p.m. on Thursday, 12 April
Rights Issue becomes unconditional	4:00 p.m. on Tuesday, 17 April
Announcement on results of the Rights Issue appears on newspaper	Thursday, 19 April
Despatch of share certificates for Rights Shares	Thursday, 19 April
Dealings in Rights Shares expected to commence	Monday, 23 April

Note: All times and dates refer to Hong Kong local times and dates.

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

The latest time for payment for and acceptance of the Rights Shares will be extended if on 12 April 2007 there is:

(a) a tropical cyclone warning signal number 8 or above, or

(b) a black rainstorm warning.

If any of the above warnings is in force in Hong Kong at any local time:

(a) before 12:00 noon and no longer in force after 12:00 noon on 12 April 2007, then the latest time for payment for and acceptance of the Rights Shares will be extended to 5:00 p.m. on the same Business Day;

(b) between 12:00 noon and 4:00 p.m. on 12 April 2007. Instead, the latest time for payment for and acceptance of the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for payment for and acceptance of the Rights Shares does not take place on 12 April 2007, the dates mentioned in the expected timetable set out above may be affected. An announcement will be made by the Company in such event.

China Treasure
(Greater China) Investments Limited
華寶(大中華)投資有限公司*

(Continued into Bermuda with limited liability)
(Stock Code: 810)

Executive Directors:
Mr. Li Ji Ning
Mr. Lau Shun Chi, Benjamin
Mr. Ma Kam Fook, Robert
Mr. Chu Wai Lim

Independent Non-executive Directors:
Ms. Yin Ling
Mr. Shiu Kwok Keung
Mr. Chen Man Lung

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal place of business:
Unit 1809, 18th Floor
Tower II, Lippo Centre
89 Queensway
Hong Kong

6 March 2007

To the Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE OF 111,240,000 SHARES AT HK$0.1 PER RIGHTS SHARE ON THE BASIS OF NINE RIGHTS SHARES FOR EVERY SHARE HELD ON THE RECORD DATE AND CHANGE IN BOARD LOT SIZE

INTRODUCTION

The Company announced on 12 February 2007 that the Company proposed to:

(i) raise approximately HK$11.12 million (before expenses) by issuing 111,240,000 Rights Shares at a subscription price of HK$0.1 per Rights Share by way of a Rights Issue, payable in full on acceptance, on the basis of nine (9) Rights Shares for every Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue will not be available to the Excluded Shareholders; and

* *For identification purpose only*

(ii) change the board lot size from 2,000 Shares to 5,000 Shares upon the commencement of dealings in the Rights Shares, which is expected to be on 23 April 2007.

The Rights Issue is subject to the Independent Shareholders' approval at the SGM by poll under the Listing Rules. The Independent Board Committee has been established to advise the Independent Shareholders in regard to the Rights Issue. AMS has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Rights Issue.

The purpose of this circular is to provide you with further information regarding, among other things, the Rights Issue and the Change in Board Lot Size, the recommendation of the Independent Board Committee to the Independent Shareholders as regards the Rights Issue, the advice from AMS to the Independent Board Committee and Independent Shareholders in respect of the Rights Issue and to give you the notice of the SGM to be convened for the purpose of considering and, if thought fit, approving the Rights Issue.

RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue	:	Nine (9) Rights Shares for every Share held by the Qualifying Shareholders at the close of business on the Record Date
Number of Shares in issue as at the Latest Practicable Date	:	12,360,000 Shares
Number of Rights Shares	:	111,240,000 Rights Shares
Subscription price	:	HK$0.1 per Rights Share

As at the Latest Practicable Date, the Company had no derivative, option, warrant and conversion right or other similar right which is convertible into Shares. Pursuant to the Underwriting Agreement, the Company has agreed that it shall not issue any Share or issue any option or other security which carries rights to acquire or convert into Shares (other than the Rights Shares) or repurchase its own Shares from the date of the Underwriting Agreement until after the Latest Time for Acceptance.

Qualifying Shareholders will be assured of receiving the number of Rights Shares accepted if acceptance is made for a number of Rights Shares equals to or less than the number of nil-paid Rights Shares provisionally allotted to them. The Rights Issue is permissible under the Bye-laws.

The Rights Issue is conditional on the Underwriting Agreement becoming unconditional, details of which are set out in the section headed "Conditions of the Underwriting Agreement" below. Accordingly, the Rights Issue may or may not proceed.

Qualifying Shareholders

The Company will send the Prospectus Documents only to the Qualifying Shareholders (but not the Excluded Shareholders) on or about Monday, 26 March 2007. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as a member of the Company on the Record Date, all transfers of Shares (together with the relevant share certificates) must be lodged with the Company's registrar and its transfer office, Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 16 March 2007.

Rights of Excluded Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue as the Prospectus Documents are not expected to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong and Bermuda.

If at any time on or before the Record Date, there is any Overseas Shareholder, the Directors will make enquiries regarding the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange for extending the Rights Issue to such Overseas Shareholder. The Directors will only exclude such Overseas Shareholder from the Rights Issue if it would be necessary or expedient to do so in accordance with Rule 13.36(2)(a) of the Listing Rules. If the Directors, after making enquiries, find it necessary or expedient to exclude such Overseas Shareholder from the Rights Issue, the Company will not make provisional allotment of the nil-paid Rights Shares or allotment of the fully-paid Rights Shares to such Overseas Shareholder. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but will not send any PAL to them. The Excluded Shareholders, if any, will be entitled to vote at the SGM to consider, among others, the Rights Issue.

The Company will arrange for the sale of the nil-paid Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders as soon as practicable after dealings in nil-paid Rights Shares commence, if a premium, net of expenses, can be obtained therefor. The net proceeds of such sale (less expenses) will be paid to the relevant Excluded Shareholders in Hong Kong dollars pro rata to their shareholdings as soon as possible after the relevant sale, except that the Company will keep individual amounts of less than HK$100 for its own benefit.

As at the Latest Practicable Date, there was no Excluded Shareholder according to the register of members of the Company.

Closure of register of members

The register of members of the Company is expected to be closed from Monday, 19 March 2007 to Friday, 23 March 2007, both dates inclusive, to determine entitlements to participate in the Rights Issue. No transfer of Shares will be registered during this period.

No application for excess Rights Shares

After arm's length negotiation with the Underwriter, the Company has decided that no Qualifying Shareholder would be entitled to apply for any Rights Share which is in excess to its assured entitlements.

Any Rights Share not taken up by the Qualifying Shareholders or the transferees of the nil-paid Rights Shares and any unsold entitlements of the Excluded Shareholders will be taken up by the Underwriter.

Fractions of Rights Shares

Given the Rights Issue is on the basis of nine (9) Rights Shares for every Share held by the Qualifying Shareholders on the Record Date, there will be no fraction of Rights Shares.

Subscription price for the Rights Shares

The Subscription Price of HK$0.1 per Rights Share will be payable in full when a Qualifying Shareholder accepts the Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares, which price represents:

(a) a discount of 97.50% to the equivalent closing price of HK$4.0 per Share based on the closing price of HK$0.40 per share of the Company (before the Capital Reorganisation) as quoted on the Stock Exchange on the Last Trading Day;

(b) a discount of approximately 97.47% to the equivalent average closing price of HK$3.95 per Share based on the average closing price per share of the Company (before the Capital Reorganisation) of approximately HK$0.395 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;

(c) a discount of approximately 97.43% to the equivalent average closing price of HK$3.89 per Share based on the average closing price per share of the Company (before the Capital Reorganisation) of approximately HK$0.389 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;

(d) a discount of approximately 79.59% to the theoretical ex-entitlement price of HK$0.49 per Share based on the closing price of HK$0.40 per share of the Company (before the Capital Reorganisation) as quoted on the Stock Exchange on the Last Trading Day;

(e) a discount of approximately 97.34% to the equivalent audited net asset value of HK$3.76 per Share based on the audited net asset value of approximately HK$0.376 per share of the Company (before the Capital Reorganisation) as at 31 December 2005;

(f) a discount of approximately 97.99% to the equivalent unaudited net asset value of HK$4.97 per Share based on the unaudited net asset value of approximately HK$0.497 per share of the Company (before the Capital Reorganisation) as at 30 June 2006; and

(g) a discount of approximately 99.31% to the closing price of HK$14.52 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter, with reference to the prevailing market price of the Shares, the unaudited net asset value per share of the Company (before the Capital Reorganisation) of approximately HK$0.497 as at 30 June 2006, the financial position, performance and prospects of the Company.

As disclosed in the Company's 2004 and 2005 annual reports, the Company has recorded a loss of approximately HK$0.6 million for the year ended 31 December 2004 and a loss of approximately HK$0.9 million for the year ended 31 December 2005. However, according to the Company's unaudited interim report for the 6 months ended 30 June 2006, the Company has a profit of approximately HK$14.9 million. It is due to the improvement of the Company's certain investments, in particular, its investment in a company whose principal activities are development of solar photovoltaic energy and production of energy related products. Given the accelerating demand for energy and related products worldwide, the Directors expect that the environmental and energy related business will have good prospects and plan to expand the Company's investment in environmental and energy business. Taking this together, the Directors consider the offer of the Rights Shares to Shareholders at the Subscription Price, which represents a significant discount to the market price and the net asset value per Share, would encourage the Shareholders to participate in the Rights Issue and would enhance the Company's improving performance and future growth.

Status of the Rights Shares

The fully-paid Rights Shares, when issued and allotted, will rank pari passu in all respects with the issued Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions declared, made or paid on or after the date of allotment and issue of the Rights Shares in their fully-paid form.

Share certificates

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all the fully-paid Rights Shares are expected to be posted on or before Thursday, 19 April 2007 to those who have accepted and paid in full for the Rights Shares at their risk.

Application for listing and dealings

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. It is expected that dealing in the Rights Shares in their nil-paid form will take place from Wednesday, 28 March 2007 to Wednesday, 4 April 2007 (both dates inclusive).

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

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

Undertaking from Mr. Li

Mr. Li, who is beneficially interested in 1,810,000 Shares, representing approximately 14.64% of the total issued share capital of the Company as at the Latest Practicable Date, has given an irrevocable undertaking to accept or procure acceptance for all the 16,290,000 Rights Shares to be provisionally allotted to him pursuant to the Rights Issue. Assuming all the Rights Shares subject to the above undertaking have been fully allotted and issued to Mr. Li, Mr. Li's total shareholdings after the Rights Issue would amount to 18,100,000 Shares representing approximately 14.64% of the total issued share capital of the Company as enlarged by the Rights Issue.

UNDERWRITING ARRANGEMENT

As at the Latest Practicable Date, the Underwriter did not hold any Share and was not a connected person of the Company. Any Rights Share not taken up by the Qualifying Shareholders or the transferees of the nil-paid Rights Shares will be fully underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement as described below.

Underwriting Agreement

Date	:	8 February 2007	
Underwriter	:	Kingston Securities Limited, who and its beneficial owners are third parties independent of and not connected with the Company and its connected persons	
Number of Rights Shares underwritten or undertaken to be accepted	:		**Number of Rights Shares**
		Rights Shares undertaken to be accepted by Mr. Li	16,290,000
		Underwritten Shares	94,950,000
		Total	111,240,000
Commission	:	2.5% of the aggregate Subscription Price in respect of the total number of the Underwritten Shares. The Directors (including the independent non-executive Directors) consider that the rate of commission is fair and reasonable.	

Pursuant to the Underwriting Agreement, the Underwriter agrees to subscribe for or procure subscribers to subscribe for all Shortfall Underwritten Shares. The Underwriter shall use its reasonable endeavours to ensure that the subscribers procured by it to subscribe for the Shortfall Underwritten Shares shall be third parties who (i) are not connected persons of the Company; and (ii) are not acting in concert with any of the connected persons of the Company and their respective associates.

Termination of the Underwriting Agreement and force majeure

The Underwriting Agreement contains provisions entitling the Underwriter to terminate its obligations thereunder if at any time prior to the Latest Time for Termination:

(a) the Underwriter becomes aware of the fact that there shall develop, occur, exist or come into effect:

  (i) any new law or regulation or any change in existing laws or regulations in Hong Kong or any other place that is the place of incorporation of the Company, or in which the Company conducts or carries on business; or

  (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or

(iii) any significant change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or

(iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out

and in the reasonable opinion of the Underwriter, such change has or would have a material and adverse effect on the business, financial or trading position or prospects of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue; or

(b) there comes to the notice of the Underwriter that the Company has committed any breach of or omits to observe any of its obligations or undertakings under the Underwriting Agreement, and such breach or omission will have a material and adverse effect of the business, financial or trading position or prospect of the Company or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

In any of such cases, the Underwriter may terminate the Underwriting Agreement without liability to the Company by giving notice in writing to the Company, served prior to the Latest Time for Termination.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional, among other things, on:

(a) the passing of the relevant resolution by the Independent Shareholders at the SGM approving the Rights Issue on or before the Prospectus Posting Date;

(b) the Listing Committee of the Stock Exchange having granted or having agreed to grant in principle (subject to such conditions as imposed by the Stock Exchange) the listing of and permission to deal in all the Rights Shares (in both nil-paid and fully-paid forms), and such listing and permission not subsequently being revoked or withdrawn prior to the Latest Time for Termination;

(c) the filing and registration of all documents relating to the Rights Issue, which are required by law to be filed or registered with the Registrar of Companies in Hong Kong and/or the Registrar of Companies in Bermuda on or before the Prospectus Posting Date;

(d) the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date;

(e) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination; and

(f) the trading of the Shares on the Stock Exchange not having been suspended for more than five (5) consecutive Business Days at any time prior to the Latest Time for Acceptance (excluding any suspension in connection with the clearance of the Announcement, the circular in respect of the SGM (accompanied by the proxy form for use therein) and the Prospectus Documents or other announcements or circulars in connection with, among other things, the Rights Issue.

The Underwriter may waive condition (f) above or extend the deadline for the fulfillment of such condition in its sole and absolute discretion. Save for condition (f) above, none of the above conditions can be waived. If the conditions referred to above are not satisfied and/or waived in whole or in part by the Underwriter by the time set out in the respective conditions, the Underwriting Agreement shall terminate and the Rights Issue will not proceed. In case the Rights Issue does not proceed, the Company will not be liable for the underwriting commission of the Underwritten Shares. However, the Company will still be liable to any cost and expense of the legal and other professional advisers incurred in relation to the Rights Issue.

SHAREHOLDING IN THE COMPANY

The following table sets out the shareholding structure of the Company as at the Latest Practicable Date and upon completion of the Rights Issue, assuming different levels of acceptance of the Rights Shares by the Shareholders on or before the Record Date:

	Existing shareholding as at the Latest Practicable Date		**Shareholding upon completion of the Rights Issue assuming subscription by the Shareholders of the Rights Shares**			
			0% (Note 1)		*100% (Note 2)*	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*	*No. of Shares*	*Approximate %*
Mr. Li *(Note 3)*	1,810,000	14.64	18,100,000	14.64	18,100,000	14.64
Public						
The Underwriter *(Note 4)*	–	–	94,950,000	76.82 *(Note 5)*	–	–
Other public Shareholders	10,550,000	85.36	10,550,000	8.54	105,500,000	85.36
	10,550,000	85.36	105,500,000	85.36	105,500,000	85.36
Total	12,360,000	100.00	123,600,000	100.00	123,600,000	100.00

Notes:

1. Assuming that no Qualifying Shareholder (except Mr. Li) or transferee of nil-paid Rights Shares will take up its provisional entitlements under the Rights Issue and all the Underwritten Shares will be taken up by the Underwriter (see also note 5 below).

2. Assuming that all Qualifying Shareholders and transferees of the nil-paid Rights Shares will take up their provisional entitlements under the Rights Issue.

3. Mr. Li has given an irrevocable undertaking to accept or procure acceptance for all the Rights Shares to be provisionally allotted to him pursuant to the Rights Issue.

4. Pursuant to the Underwriting Agreement, the Underwriter undertook to the Company that it shall use its reasonable endeavours to ensure that the subscribers procured by it for the Shortfall Underwritten Shares shall be third parties who (i) are not connected persons of the Company; and (ii) are not acting in concert with any connected persons of the Company and their respective associates.

5. Pursuant to the Underwriting Agreement, the Underwriter shall, in fulfilment of the Underwriting obligations to subscribe for (or procure subscribers to subscribe for) any Underwritten Share, take appropriate steps to ensure that any of the sub-underwriters, placees, subscribers or itself, together with parties acting in concert with any of them (if any) will not become a substantial Shareholder (i.e. having or owning more than 12,360,000 Shares, which represent 10% of the then entire issued share capital of the Company as enlarged by the Rights Issue) immediately after completion of the Rights Issue. The Underwriter will request each of the sub-underwriters to undertake that each of the subscribers procured by them will not be beneficially having or owning more than 12,360,000 Shares as a result of the placing under the sub-underwriting.

   To the best knowledge of the Directors having made all reasonable enquiry, the Underwriter will use its best endeavours to procure that it will enter into sub-underwriting agreements with the sub-underwriters soon after the signing of the Underwriting Agreement to the effect that each of the Underwriter, sub-underwriters and its placees and parties acting in concert with any of them will not own 10% or more of the enlarged issued share capital of the Company immediately after completion of the Rights Issue. In the event that there are not sufficient subscribers and there arises any new substantial shareholder (as defined in the Listing Rules) of the Company after the completion of the Rights Issue, the Company may consider to accept such new substantial Shareholders(s), provided that such subscriber(s) undertake(s) to the Company that he/she/it will not nominate or procure others to nominate any new director to the Company so that the continuance of the management of the Company will be maintained. However, if there are not sufficient subscribers and thus, the Underwriter, any sub-underwriter or subscribers together with each of their concert parties may own 30% or more of the issued share capital of the Company after completion of the Rights Issue, the Rights Issue will not proceed due to Rule 21.04(4) of the Listing Rules.

WARNING OF THE RISKS OF DEALING IN SHARES

Shareholders should note that trading of Shares on ex-entitlement basis is expected to commence on Thursday, 15 March 2007, and dealing in the Rights Shares in their nil-paid form is expected to take place from Wednesday, 28 March 2007 to Wednesday, 4 April 2007 (both dates inclusive). Any person contemplating buying or selling the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and dealing in the Rights Shares in their nil-paid form between Wednesday, 28 March 2007 and Wednesday, 4 April 2007 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. Investors should seek professional advice regarding dealings in Shares and nil-paid Rights Shares if they are in any doubt.

REASONS FOR THE RIGHTS ISSUE

The Company had not conducted any fund raising activity in the 12 months immediately before the date of the Announcement. The Directors consider that the Rights Issue represents an opportunity to raise equity capital for the Company for furthering its investment objectives and to make timely investment when investment opportunities arise.

In view of the current improving market conditions with numerous sizeable equity fund raising activities in the past two years, the Directors consider that it is prudent and more desirable to finance the Company's investment and long term growth by way of equity rather than debt.

Given that the Rights Issue would enable the existing Shareholders (save for the Excluded Shareholders) to maintain their relative percentage interests in the Company among themselves, which is in contrast with a private placement of Shares which will result in dilution of existing Shareholders' interests in the Company, the Directors have decided to proceed with the Rights Issue.

In addition, the Rights Issue allows the Qualifying Shareholders to participate in the future growth and development of the Company including the Company's diversified investments in environmental and energy related business and would at the same time enlarge the capital base of the Company.

USE OF PROCEEDS

The estimated net proceeds of the Rights Issue will be approximately HK$10 million, all of which will be used for future investments. The Board proposes to use the proceeds of the Rights Issue for investment in listed or private companies whose principal activities are environmental and energy related activities. At present, there is no specified investment or potential investment identified by the Company.

BUSINESS REVIEW AND PROSPECTS

The Company is an investment company whose shares are listed on the Stock Exchange pursuant to Chapter 21 of the Listing Rules. The Company is principally engaged in the investments in listed and unlisted companies established in the People's Republic of China, Hong Kong, Taiwan, Australia and the United States.

The Company recorded a net profit of approximately HK$14.9 million for the six months ended 30 June 2006 (2005: approximately HK$2.7 million), representing an increase of approximately 4.5 times over the same period in 2005. This is mainly attributable to fair value gains from the Company's listed investments during the financial period.

During the six months ended 30 June 2006, the Company continued to invest in certain listed securities in Hong Kong, Australia and the United States, some of which are designed for short to medium term investments.

The Company followed its solid investment philosophy, acquiring securities that fit its portfolio objectives and disposing those that may have reached their respective target prices. During the six months ended 30 June 2006, the Company realised handsome gains from the disposal of certain listed investments. As at 30 June 2006, the Company continued to hold solid investment portfolio with exposure in high growth areas.

The favorable results of the Company for the first half of the fiscal year 2006 have outpaced the overall growth of the Hong Kong economy. The Company would likely maintain its current investment composition, with an overweight position in listed investments. Despite slightly favoring listed investments, the Company is always on the lookout for unlisted investments in high growth areas that could offer attractive return. Furthermore, the Company would seek direct investment opportunities in environmental and energy related business in the Greater China region. The Company remains confident of its investment philosophy and comfortable with its investment decisions and going forward, the Company remains prudent in its investment selection process and will continue to identify promising projects to invest in.

CHANGE IN BOARD LOT SIZE

The Board proposes to change the board lot size of trading from 2,000 Shares to 5,000 Shares upon the commencement of dealings in the Rights Shares, which is expected to be on 23 April 2007.

SGM

Set out in this circular is a notice convening the SGM, which will be held at 11:00 a.m. on Friday, 23 March 2007 at Rooms 1910-1913, Hutchison House, 10 Harcourt Road, Central, Hong Kong, at which a resolution will be proposed to approve the Rights Issue.

The form of proxy for use at the SGM is enclosed with this circular. Whether or not you intend to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it as soon as possible to the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, and in any event not less than 48 hours before the time appointed for 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 adjourned meeting should you so desire.

In accordance with the Listing Rules, the Rights Issue must be made conditional on approval by Shareholders in general meeting by a resolution on which the Controlling Shareholders and their associates or, where there is no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour. As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiry, the Company did not have any Controlling Shareholder, but Mr. Li, being an executive Director, legally and beneficially owned 1,810,000 Shares. Save for Mr. Li, none of the Directors owns any Share. On the aforesaid basis, Mr. Li and his associates will abstain from voting in favour of the resolution to approve the Rights Issue at the SGM.

PROCEDURES TO DEMAND A POLL

Pursuant to the Bye-laws, a resolution put to the vote of any general meeting of the Company shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is required under the Listing Rules or a poll is demanded:–

(a) by the chairman of the meeting; or

(b) by at least three Shareholders present in person or by duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or

(c) by any Shareholder or Shareholders present in person or by duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

(d) by any Shareholder or Shareholders present in person or by duly authorised corporate representative or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or

(e) if required by the Listing Rules, by the chairman of such meeting or any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent (5%) or more of the total voting rights at such meeting.

On a show of hands, every Shareholder who is present in person or by a duly authorised corporate representative or by proxy shall have one vote. On a poll, every Shareholder present in person or by a duly authorised corporate representative or by proxy, shall have one vote for every Share of which he is the holder which is fully paid up or credited as fully paid up. On a poll, a Shareholder entitled to more than one vote need not use all his votes or cast his votes in the same way.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on page 21 of this circular which contains its recommendation to the Independent Shareholders as to voting at the SGM regarding the Rights Issue and to the letter received from AMS which contains its advice to the Independent Board Committee and the Independent Shareholders as regards the Rights Issue and the principal factors and reasons considered by it in arriving thereat. The text of the letter from AMS is set out on pages 22 to 34 of this circular.

GENERAL

Your attention is drawn to the information contained in the appendices to this circular.

By order of the Board
China Treasure (Greater China) Investments Limited
Chu Wai Lim
Executive Director

China Treasure (Greater China) Investments Limited
華寶(大中華)投資有限公司*

(Continued into Bermuda with limited liability)
(Stock Code: 810)

6 March 2007

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 6 March 2007 (the "Circular") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed to advise the Independent Shareholders in connection with the terms of the Rights Issue. AMS has been appointed as the independent financial adviser to advise you and us in this respect.

Having considered the terms of the Rights Issue and the advice of AMS in relation thereto as set out on pages 22 to 34 of the Circular, we are of the opinion that the terms of the Rights Issue, on balance, are not fair and not reasonable so far as the Independent Shareholders are concerned. We therefore recommended that you vote against the ordinary resolution in relation to the Rights Issue to be proposed at the SGM.

Yours faithfully,
Independent Board Committee

Ms. Yin Ling	**Mr. Shiu Kwok Keung**	**Mr. Chen Man Lung**
Independent Non-executive Director	*Independent Non-executive Director*	*Independent Non-executive Director*

* *For identification purpose only*

The following is the full text of the letter of advice from AMS in respect of the Rights Issue and is prepared for the purpose of incorporation into this circular.

博資財務顧問有限公司
AMS Corporate Finance Limited

20th Floor
Hong Kong Diamond Exchange Building
8-10 Duddell Street
Central
Hong Kong

6 March 2007

To the Independent Board Committee and
the Independent Shareholders of
China Treasure (Greater China) Investments Limited

Dear Sirs,

PROPOSED RIGHTS ISSUE
ON THE BASIS OF NINE RIGHTS SHARES
FOR EVERY SHARE HELD ON THE RECORD DATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, details of which are set out in the letter from the Board (the "Letter from the Board") contained in the circular dated 6 March 2007 issued by the Company to the Shareholders (the "Circular"), of which this letter forms part. Unless otherwise stated, terms defined in the Circular have the same meanings in this letter.

On 12 February 2007, the Board announced, among other things, the Company's proposal to raise approximately HK$11.12 million (before expenses) by way of a rights issue. The Rights Issue is fully underwritten pursuant to the terms and conditions of the Underwriting Agreement dated 8 February 2007. As the proposed Rights Issue would increase the issued share capital of the Company by more than 50%, the Rights Issue is required under Rule 7.19(6) of the Listing Rules to be subject to approval by Shareholders in a general meeting by a resolution on which the Controlling Shareholder(s) and its associates or, where there are no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour. As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiry, the Company does not have any Controlling Shareholder. Save for Mr Li who being an executive Director, legally and beneficially owns 1,810,000 Shares, none of the Directors owns any Shares. In this regard, Mr Li and his associates will abstain from voting in favour of the resolution to approve the Rights Issue at the SGM.

An independent board committee, comprising all the independent non-executive Directors, namely Ms Yin Ling, Mr Shiu Kwok Keung and Mr Chen Man Lung has been established to advise the Independent Shareholders as to whether the Rights Issue is in the interests of the Company and the Shareholders as a whole and whether the terms of the Rights Issue are fair and reasonable so far as the Independent Shareholders are concerned.

As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the Rights Issues are in the interests of the Company and the Shareholders as a whole; (ii) whether the terms of the Rights Issue are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Rights Issue at the SGM by way of poll.

Apart from the normal advisory fee payable to us in connection with our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company. We are independent of the Company for the purposes of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the information and representations contained or referred to in the Circular and the information and representations provided to us by the Company and the Directors. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Company and the Directors, for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be so at the date hereof. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. The Directors have confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading. We consider that we have reviewed sufficient information which enables us to form a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information provided, nor have we carried out any form of in-depth investigation into the business and affairs of the Company or the prospects of the market in which it operates.

PRINCIPAL FACTORS CONSIDERED

In formulating our opinion on the terms of the Rights Issue, we have taken into consideration the following principal factors:

1. Background information of the Company

The Company is an investment company whose shares are listed on the Stock Exchange pursuant to Chapter 21 of the Listing Rules. The Company is engaged principally in the investments in listed and unlisted companies established in the People's Republic of China, Hong Kong, Taiwan, Australia and the United States. The following is a summary of the Company's financial information for each of the three years ended 31 December 2005 and the six months ended 30 June 2006 extracted from the Company's annual reports for the respective years and the interim report 2006 ("Interim Report") respectively.

	For the year ended 31 December			For the six months ended 30 June	
	2003	**2004**	**2005**	**2005**	**2006**
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue/Turnover *(Note)*	366	234	640	40,345	44,148
Fair value gains/(losses) on financial assets at fair value through profit or loss	–	–	2,644	429	(1,382)
Net realized gains on investments in securities	434	1,268	–	–	–
Net unrealized gains/(losses) on investments in securities	(39,533)	625	–	–	–
Net Profit/(loss) before tax	(44,138)	(607)	(897)	2,694	15,128
Total equity	45,346	44,739	46,519	50,110	61,430

Note: Revenue for the year ended 31 December 2003, 2004 and 2005 represented bank interest income, other interest income and dividend income. Turnover for the 6 months period ended 30 June 2005 and 2006 represented total interest income and proceeds from sales of financial assets at fair value through profit or loss.

The Company recorded losses before tax for the three financial years under review. According to the annual reports for the financial year 2003 and 2004, the losses were mainly due to provisions for diminution in value on investments in equities for approximately HK$39.5 million and HK$5.5 million for the respective years. For the financial year 2005, the Company's management attributed the loss mainly to the fair value changes of certain listed investments and the increase in administrative expenses as a result of recruitment of additional employees and the payment of salary to executive Directors.

For the six months period ended 30 June 2006, the Company recorded a profit before tax of approximately HK$15 million, representing an increase of approximately 4.6 times over that of the same period in 2005. The Interim Report stated that, the satisfactory operating results was due to the improvement of the Company's certain investments. As mentioned in the Letter from the Board, this improvement was attributable particularly to its investment in a company whose principal activities are the development of solar photovoltaic energy and production of energy related products. According to the information provided by the Company, the financial assets held by the Company amounted to HK$35.5 million as at 30 June 2006 comprised mainly of investments in listed companies in Hong Kong. The investment in the company whose principal activities are energy related as mentioned above accounted for approximately 36.6% of the Company's total financial assets. The Interim Report stated that the Company would likely maintain its current investment composition, with an overweight position in listed investments. Furthermore, the Company would seek direct investment opportunities in environmental and energy related business in the Greater China region.

2. Reasons for the Rights Issue and use of proceeds

(a) Use of proceeds

As stated in the Letter from the Board, the Directors consider that the Rights Issue represents an opportunity to raise equity capital for the Company for furthering its investment objectives and to make timely investment when investment opportunities arise. The estimated net proceeds of the Rights Issue will be approximately HK$10 million, all of which will be used for future investments. The Board proposes to use the proceeds of the Rights Issue for investment in listed or private companies whose principal activities are environmental energy related activities. At present, there is no specified investment or potential investment identified by the Company.

According to the Interim Report, the Company's investments in listed and unlisted equity securities amounted to HK$31.5 million (Hong Kong: HK$26.6 million; overseas: HK$4.9 million) and HK$4 million respectively as at 30 June 2006 as compared with HK$17.8 million (Hong Kong: HK$9.6 million; overseas: HK$8.2 million) and nil respectively as at 31 December 2005. This reflects that the Company has been identifying investment opportunities to increase its financial assets during the interim period. As at 30 June 2006, the

Company had cash and bank balances of HK$22.7 million representing approximately 37% of its total equity which amounted to approximately HK$61.4 million. Based on the Company's equity size, we believe that its ability to invest in quality and fast growing businesses such as the environmental and energy related business may be restricted. Upon completion of the Rights Issue, the Company's cash position will be strengthened and the capital base will be enlarged, which may place the Company in a more advantageous position for acquiring quality investment assets. We consider that it is logical for the Company, to maintain sufficient cash and bank balances and a strong capital base so that it can make suitable investments at a timely basis.

(b) Alternative means of fund raising

As stated in the Letter from the Board, the Directors have considered other means of fund raising such as by way of debt or private placement of Shares. As reviewed from the annual reports for 2003, 2004 and 2005 and the Interim Report, the Company did not have any bank borrowings as at the year/period ends. In light of the current improving market conditions, we concur with the Directors that it is more desirable to finance the Company's investment and long term growth by way of equity rather than debt as it will strengthen the Company's financial position without causing any repayment or interest burden to the Group. Further, in view of the nature of its business, it may be more difficult for the Company to obtain debt financings than other businesses such as trading or manufacturing.

We also concur with the Directors' view that unlike private placement of Shares which will result in dilution of Shareholders' interest in the Company, the Rights Issue would enable the Qualifying Shareholders to maintain their relative percentage interests in the Company by taking up their allotments under the Rights Issue in full. Nevertheless, Shareholders should be reminded of the maximum possible dilution of up to 90%, details of which are set out in the paragraph headed "Dilution effect of the Rights Issues on shareholding interests."

The Rights Issue allows the Qualifying Shareholders to participate in the future growth and development of the Company including the Company's diversified investments in environmental and energy related business and would at the same time enlarge the capital base of the Company. No arrangement will be made for application for excess Rights Shares by Qualifying Shareholder under the Rights Issue. The Directors believe that there would be a high level of acceptance of the Rights Shares by the Qualifying Shareholders and, accordingly, there would not be a significant number of the Rights Shares which are not taken up by the Qualifying Shareholders and available for excess application. The Directors consider that it is in the interests of the Company and its Shareholders as a whole to raise capital through the Rights Issue. Having considered the above, we are of the opinion that it is an acceptable and equitable means to raise capital for the Company under the current circumstances and the Right Issues is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Rights Issue

(a) Basis for the Rights Issue

It is proposed that 111,240,000 Rights Shares will be offered to Qualifying Shareholders for subscription at a price of HK$0.1 per Rights Share on the basis of nine Rights Shares for every Share held on the Record Date, payable in full on acceptance.

Qualifying Shareholders will be assured of receiving the number of Rights Shares accepted if acceptance is made for a number of Rights Shares equals to or less than the number of nil-paid Rights Shares provisionally allotted to them. No Qualifying Shareholder is entitled to apply for any Rights Share which is in excess of its assured entitlements. Any Rights Shares not taken up by the Qualifying Shareholders or the transferees of the nil-paid Rights Shares and any unsold entitlements of the Excluded Shareholders will be taken up by the Underwriter.

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the issued Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions declared, made or paid on or after the date of allotment and issue of the Rights Shares in their full-paid form.

Should the Qualifying Shareholders decide to subscribe for their full entitlements of the Rights Shares under the Rights Issue, there would be no dilution effect on their interests in the Company. However, should the Shareholders decide not to subscribe in full for their entitlements of Rights Shares, the Shareholders' interest in the Company upon completion of the Rights Issue would be diluted by up to 90%.

(b) Subscription Price

As stated in the Letter from the Board, the Subscription Price of HK$0.1 per Rights Share was determined after arm's length negotiation between the Company and the Underwriter, with reference to the prevailing market price of the Shares, the unaudited net asset value per share of the Company (before the Capital Reorganisation) of approximately HK$0.497 as at 30 June 2006, the financial position, performance and prospects of the Company.

The following table sets out the average daily closing prices of the Shares during the 12-month period commencing from 1 February 2006, being the first trading day of the twelve months prior to the date of the Underwriting Agreement ("Review Period") and up to the Latest Practicable Date. For comparison purpose, we assume the Capital Reorganisation had been in effect throughout the Review Period.

Month	Average daily closing price per Share *HK$*	Discount represented by the Subscription Price *%*	Highest trading price of the Share in the period *HK$*	Lowest trading price of the Share in the period *HK$*
2006				
February	1.57	93.6	1.83	1.50
March	1.80	94.4	n.a. *(Note 1)*	n.a. *(Note 1)*
April	1.46	93.2	1.90	1.35
May	2.09	95.2	3.00	1.60
June	2.33	95.7	3.90	1.70
July	4.07	97.5	4.60	3.30
August	4.03	97.5	4.30	3.50
September	3.92	97.4	4.10	3.60
October	3.92	97.4	4.20	3.50
November	3.88	97.4	4.00	3.70
December	3.84	97.4	4.00	3.10
2007				
January	3.54	97.2	4.15	3.20
February *(Note 2)*	9.74	99.0	17.60	3.90
1 March to the Latest Practicable Date	15.67	99.4	16.40	14.94

Source: website of the Stock Exchange – www.hkex.com.hk

Notes:

1. There were no trading during the month.

2. Trading of the Shares were suspended from 5 to 12 February 2007 pending the release of the Announcement.

During the Review Period, the Shares were traded at a highest price of HK$4.60 and a lowest price of HK$1.35. The Subscription price of HK$0.1 per Rights Share represents a substantial discount of approximately 97.8% and 92.6% to such highest and lowest price per Share respectively. In addition, the Shares had been traded at prices over the Subscription Price throughout the Review Period. Following the date of the Underwriting Agreement, the Shares were traded in the range of HK$4.50 and HK$16.40. The Company announced on 14 and 22 February 2007 respectively that it was not aware of any reasons for the increases in the Share prices save for the proposed Rights Issue and the status of the proposed change of investment manager of the Company as disclosed in the Announcement.

We have also reviewed the trading volume of the Shares during the Review Period. The liquidity of the Shares had been low with the highest average daily turnover amounted to approximately 1,043,364 Shares, representing approximately 0.8% of the total number of shares in issue before the Capital Reorganisation. During the Review Period, there was trading in the Shares in 146 days out of a total of 256 days.

The Subscription Price represents:

(a) a discount of approximately 97.50% to the equivalent closing price of HK$4.0 per Share based on the closing price of HK$0.40 per share of the Company (before the Capital Reorganisation) as quoted on the Stock Exchange on the Last Trading Day;

(b) a discount of approximately 97.47% to the equivalent average closing price of HK$3.95 per Share based on the average closing price per share of the Company (before the Capital Reorganisation) of approximately HK$0.395 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;

(c) a discount of approximately 97.43% to the equivalent average closing price of HK$3.89 per Share based on the average closing price per share of the Company (before the Capital Reorganisation) of approximately HK$0.389 as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;

(d) a discount of approximately 79.59% to the theoretical ex-entitlement price of HK$0.49 per Share based on the closing price of HK$0.40 per share of the Company (before the Capital Reorganisation) as quoted on the Stock Exchange on the Last Trading Day;

(e) a discount of approximately 97.34% to the equivalent audited net asset value of HK$3.76 per Share based on the audited net asset value of approximately HK$0.376 per share of the Company (before the Capital Reorganisation) as at 31 December 2005;

(f) a discount of approximately 97.99% to the equivalent unaudited net asset value of HK$4.97 per Share based on the unaudited net asset value of approximately HK$0.497 per share of the Company (before the Capital Reorganisation) as at 30 June 2006; and

(g) a discount of approximately 99.31% to the closing price of HK$14.52 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

In order to assess the reasonableness of the Subscription Price, we have attempted to compare the Rights Issue with recent rights issues and open offers which are very similar in nature to rights issue, conducted by other listed companies in Hong Kong on the main board of the Stock Exchange. Shareholders should note that while listed companies differ from one another, it is a common market practice to price a rights issue or an open offer by a listed company on the Stock Exchange at a discount to the market price of the relevant shares in order to encourage subscription by their shareholders. In addition, the size of funds raised and the market sentiment at the relevant time may also play an important role in the determination of the subscription price. Accordingly, we have reviewed all open offers and rights issue which were announced by companies listed on the main board of the Stock Exchange during the 6-month period prior to the date of Underwriting Agreement with funds raised at not more HK$100 million (the "Comparables"). Details of our findings on these open offers and rights issues are summarised in the table below.

Company (stock code)	Basis of provisional allotment	Date of announcement	Discount to closing price per share on the last trading day prior to the announcement	Discount to theoretical ex-entitlement/ ex-rights price per share based on the closing price per share on the last trading day prior to the announcement	Discount to the latest published net asset value per share prior to the announcement *(Note)*	Underwriting commission	Funds raised (HK$ million before expenses)
Open offer							
Xin Corporation Ltd (1141)	3 for 1	2006/08/17	42.60%	15.50%	n.a.	2.5%	29.8
Tak Shun Technology Group Ltd (1228)	2 for 5	2006/09/12	66.67%	58.68%	79.92%	2.0%	28.8
Chinney Alliance Group Ltd (385)	3 for 2	2006/08/21	4.20% (premium)	1.60% (premium)	74.70%	2.0%*	59.5
Cosmopolitan International Holdings Ltd (120)	2 for 1	2006/10/04	41.86%	19.35%	64.03%	2.5%	53.2
Sunlink International Holdings Limited (2336) #	1 for 5	2006/12/07	85.20%	67.30%	n.a.	2.5%	17.0
Climax International Company Limited (439)	5 for 6	2007/01/09	23.08%	14.10%	72.22%	2.5%	28.0

Company (stock code)	Basis of provisional allotment	Date of announcement	Discount to closing price per share on the last trading day prior to the announcement	Discount to theoretical ex-entitlement/ ex-rights price per share based on the closing price per share on the last trading day prior to the announcement	Discount to the latest published net asset value per share prior to the announcement (Note)	Underwriting commission	Funds raised (HK$ million before expenses)
Rights issue							
Sino Technology Investments Co. Ltd. (1217)	1 for 2	2006/08/23	50.00%	40.03%	71.43%	3.0%*	4.0
Century Legend (Holdings) Ltd (79)	1 for 2	2006/09/29	71.80%	63.00%	65.50%	2.5%*	26.5
Celestial Asia Securities Holdings Ltd (1049)	1 for 2	2006/10/11	27.30%	20.00%	34.00%	2.5%*	61.2
Sun East Technology (Holdings) Ltd (365)	2 for 5	2006/11/17	42.86%	34.89%	83.33%	2.5%*	18.0
Radford Capital investment Limited (901)	1 for 2	2006/12/01	49.37%	39.39%	n.a.	2.0%	15.8
Lung Cheong International Holdings Limited (348)	1 for 2	2006/12/21	28.60%	20.90%	n.a.	nil*	48.4
Bestway International Holdings Limited (718)	1 for 2	2007/02/05	39.60%	30.40%	37.70%	1.5%*	20.6
Average discount			47.41%	35.30%	64.76%	2.3%	
The Company	**9 for 1**	**2007/02/12**	**97.50%**	**79.59%**	**97.34%**	**2.5%**	**11.1**

With bonus shares to be issued on the basis of eight bonus shares for every fully paid offer share

* The underwriter is a connected person

Note: n.a. denotes not applicable as the information was not provided in the relevant announcement

Source: website of the Stock Exchange – www.hkex.com.hk

The table above shows twelve out of the thirteen Comparables had the subscription prices set at discounts to their respective closing prices of the shares on the last trading day prior to the release of the relevant announcement, ranging from approximately 23.08% to 85.20%, with an average of approximately 47.41%. As regards the discounts to the theoretical ex-entitlement/ex-rights prices per share, they ranged from approximately 14.10% to 67.30% and had an average of approximately 35.30%. There was only one Comparable had the subscription price set at a premium over the closing price of its shares on the last trading day prior to the release of the relevant announcement and the relevant theoretical ex-entitlement/ex-rights price per share. In addition, nine Comparables (four Comparables did not provided the relevant information) had the subscription prices set at discounts to the respective latest published net asset value per share prior to the respective announcements, ranging from approximately 34% to 83.33% with an average of approximately 64.76%. The discounts of approximately 97.5%, 79.59% and 97.34% of the Subscription Price to the equivalent closing price per Share based on the closing price per share of the Company (before the Capital Reorganisation) on the Last Trading Day, the theoretical ex-entitlement price per Share and the equivalent latest published net asset value per Share prior to the Announcement respectively are all significantly higher than the respective discounts of the Comparables. In light of this and the substantial discount of the Subscription Price to its historical market prices, we do not consider the Subscription Price to be fair or reasonable so far as the Independent Shareholders are concerned. However, provided that Qualifying Shareholders take up their entitlements under the Rights Issue in full, their interests in the Company would not be prejudiced by such substantial discounts.

4. Financial effects of the Rights Issue

(a) Net assets

Based on the unaudited pro forma statement of adjusted net tangible assets of the Company as set out in Appendix I to the Circular, the Company's unaudited net tangible assets will be increased by approximately HK$10 million (estimated net proceeds from the Rights Issue) to approximately HK$71.4 million as a result of the Rights Issue. The unaudited pro forma net tangible assets of the Company per Share would decrease by approximately 88.4% from HK$4.97 to HK$0.5779. Such decrease in the net tangible asset value per Share following the completion of the Rights Issue is primarily due to the substantial discount of the Subscription Price to the audited net tangible asset value per Share before the Rights Issue. However, this dilution should not affect Shareholders who take up their entitlement of the Rights Shares as the dilution will be offset by the increased number of new shares held.

(b) Cash flow

As at 30 June 2006, the Company has unencumbered cash and bank balances amounted to approximately HK$22.7 million. The Company's cash flow position would improve upon completion of the Rights Issue.

5. Terms of the Underwriting Agreement

The Rights Issue is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. Details on the conditions of the Rights Issue are stated in the section headed "Conditions of the Underwriting Agreement" in the Letter from the Board. As at the Latest Practicable Date, the Underwriter does not have any shareholding in the Company and is not a connected person of the Company.

Pursuant to the Underwriting Agreement, the Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the total number of the Underwritten Shares. Based on our review of the underwriting arrangements of the Comparables, we have noticed that the underwriting commission rates paid by the listed companies ranged from nil to 3%. Seven out of the thirteen Comparables paid an underwriting commission rate of 2.5%. Three out of the five Comparables paid an underwriting commission below 2.5% with the respective underwriters being connected person of the companies. Accordingly, we consider that the underwriting commission of 2.5% in the present case is in line with the market practice.

6. Dilution effect of the Rights Issue on shareholding interests

As the Rights Issue is offered to all Qualifying Shareholders on the same basis, the Qualifying Shareholders will be able to maintain their proportional interests in the Company if they take up their allotments under the Rights Issue in full. It should be noted that no arrangement will be made for application for excess Rights Shares by Qualifying Shareholder under the Rights Issue. Any Qualifying Shareholders who choose not to take up in full their assured entitlements under the Rights Issue will have their shareholdings in the Company diluted by up to a maximum of 90%.

As compared with the Comparables, the Rights Issue offers the largest proportion which would result in the highest maximum dilution effect on the shareholding interests. Given that (i) the Group's unencumbered cash and bank balances amounted to approximately HK$22.7 million as at 30 June 2006 and assuming no adverse material change in the Company's financial position thereafter; and (ii) there is no specified investment or potential investment identified by the Company, we do not consider that the Group's financial position necessitates a fund raising exercise with a significant dilution effect on those Independent Shareholders who choose not to subscribe for their provisional entitlements at all.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the Rights Issue is in the interests of the Company and its Shareholders to the extent that it will enlarge the capital base and strengthen the financial position of the Company. Qualifying Shareholders who take up their entitlements under the Rights Issue can participate in the future development of the Company. There would be no dilution effect on those Qualifying Shareholders who take up their entitlements in full under the Rights Issue.

However, in view of the possible dilution of up to 90% of the shareholding interests of the Independent Shareholders in the Company who do not take up in full their entitlements under the Rights Issue, and the substantial discounts represented by the Subscription Price to the historical market price and the latest audited net asset value per Share, we consider that the terms of the Rights Issue are, on balance, not fair and not reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote against the ordinary resolution to be proposed at the SGM in relation to the Rights Issue.

Yours faithfully,
For and on behalf of
AMS Corporate Finance Limited
Alexander Tai
Managing Director

1. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and following completion of the Rights Issue are as follows:

As at the Latest Practicable Date

		HK$
Authorised:		
20,000,000,000	Shares	200,000,000
Issued and fully paid:		
12,360,000	Shares	123,600

Upon completion of the Rights Issue

		HK$
Authorised:		
20,000,000,000	Shares	200,000,000
Issued and fully paid:		
12,360,000	Shares as at the Latest Practicable Date	123,600
111,240,000	Rights Shares to be issued	1,112,400
123,600,000		1,236,000

All the Shares in issue and Rights Shares in their fully-paid form to be issued rank and will rank pari passu in all respects with each other including as regards to dividends, voting and return of capital.

The Company had not issued any Share since 31 December 2005 and up to the Latest Practicable Date.

No share or loan capital of the Company has been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares has been issued or granted or agreed conditionally, or unconditionally to be issued or granted.

The Company has no option, warrant and conversion right convertible into Shares. No share or loan capital of the Company has been issued or is proposed to be issued for cash or otherwise (save for the Rights Issue) and no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any such capital.

The Shares are listed on the Stock Exchange. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

Dealings in the shares of the Company may be settled through CCASS and you should consult your stockbroker or other registered dealer of securities, bank manager, solicitors, professional accountant or other professional adviser for details of the settlement arrangement and how such arrangements may affect your rights and interest.

2. SUMMARY OF FINANCIAL INFORMATION OF THE COMPANY

The following table summarises the results, assets and liabilities of the Company for the last three financial years ended 31 December 2005 and the six months ended 30 June 2006, which are extracted from the relevant published annual and interim reports of the Company.

Results

	For the six months ended 30 June 2006 (unaudited)	For the year ended 31 December		
		2005	2004	2003
	HK$	*HK$*	*HK$*	*HK$*
Turnover	44,148,157	639,974	234,000	366,349
Profit/(Loss) before taxation	15,127,946	(897,386)	(606,511)	(44,137,775)
Taxation	(218,000)	–	–	–
Profit/(Loss) attributable to Shareholders	14,909,946	(897,386)	(606,511)	(44,137,775)

Assets and Liabilities

	As at 30 June 2006 (unaudited)	At 31 December		
		2005	2004	2003
	HK$	*HK$*	*HK$*	*HK$*
Total assets	61,744,963	47,332,295	44,940,433	45,535,944
Total liabilities	(315,370)	(812,648)	(201,400)	(190,400)
Shareholders' funds	61,429,593	46,519,647	44,739,033	45,345,544

3. AUDITED FINANCIAL STATEMENTS

The following are the audited financial statements of the Company for the two years ended 31 December 2005 and 31 December 2004 together with accompanying notes as extracted from the 2005 annual report of the Company. Reference to page numbers in the audited financial statements of the Company (if any) are to the page numbers of the 2005 annual report of the Company.

INCOME STATEMENT

For the year ended 31 December 2005

		2005	**2004**
	Notes	*HK$*	*HK$*
Revenue	*5*	639,974	234,000
Other operating (loss)/income	*5*	(29,884)	46,229
Fair value gains on financial assets at fair value through profit or loss		2,643,699	–
Net realised gains on disposals of investments in securities		–	1,268,252
Net unrealised gains on investments in securities		–	625,461
Administrative expenses		(2,498,903)	(919,362)
Other operating expenses		(1,652,272)	(1,861,091)
Loss before income tax	*7*	(897,386)	(606,511)
Income tax expense	*8*	–	–
Net loss for the year		(897,386)	(606,511)
Loss per share	*9*		
– Basic		HK(0.77) cents	HK(0.59) cents
– Diluted		N/A	N/A

BALANCE SHEET
As at 31 December 2005

	Notes	**2005** *HK$*	**2004** *HK$*
ASSETS AND LIABILITIES			
Non-current assets			
Investments in securities	*11*	–	2,500,000
Deposit paid	*12*	3,000,001	–
		3,000,001	2,500,000
Current assets			
Investments in securities	*11*	–	20,574,949
Financial assets at fair value through profit or loss	*13*	17,822,844	–
Other receivables, prepayments and deposits		194,155	6,869,359
Tax recoverable		423,123	–
Bank balances and cash		25,892,172	14,996,125
		44,332,294	42,440,433
Current liabilities			
Other payables and accrued charges		812,648	201,400
Net current assets		43,519,646	42,239,033
Total assets less current liabilities		46,519,647	44,739,033
Net assets		46,519,647	44,739,033
EQUITY			
Share capital	*14*	12,360,000	10,300,000
Reserves		34,159,647	34,439,033
Total equity		46,519,647	44,739,033

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2005

	Share capital	Share premium account	Accumulated losses	Total
	HK$	*HK$*	*HK$*	*HK$*
At 1 January 2004	10,300,000	85,871,636	(50,826,092)	45,345,544
Net loss for the year	–	–	(606,511)	(606,511)
At 31 December 2004	10,300,000	85,871,636	(51,432,603)	44,739,033
Issue of shares	2,060,000	618,000	–	2,678,000
Net loss for the year	–	–	(897,386)	(897,386)
At 31 December 2005	12,360,000	86,489,636*	(52,329,989)*	46,519,647

* *These reserve accounts comprise the reserves of HK$34,159,647 (2004: HK$34,439,033) in the balance sheet.*

CASH FLOW STATEMENT

For the year ended 31 December 2005

	2005	2004
	HK$	*HK$*
Cash flows for operating activities		
Loss before income tax	(897,386)	(606,511)
Adjustments for:		
Net realised gains on disposals of investments in securities	–	(1,268,252)
Net unrealised losses on investments in securities	–	(625,461)
Bank interest income	(622,704)	(18,769)
Operating loss before working capital changes	(1,520,090)	(2,518,993)
Increase in investment in securities	–	(1,941,236)
Decrease in financial assets at fair value through profit or loss	2,752,105	–
Decrease/(Increase) in other receivables, prepayments and deposits	6,675,204	(6,789,359)
Increase in other payables and accrued charges	611,248	11,000
Cash generated from/(used in) operations	8,518,467	(11,238,588)
Bank interest income received	622,704	18,769
Hong Kong income tax paid	(423,123)	–
Net cash generated from/(used in) operating activities	8,718,048	(11,219,819)
Cash flows from investing activities		
Deposit paid	(3,000,001)	–
Proceeds from sales of available-for-sale financial assets	2,500,000	–
Net cash used in investing activities	(500,001)	–
Cash flows from financing activities		
Proceeds from issue of shares	2,678,000	–
Net cash generated from financing activities	2,678,000	–
Net increase/(decrease) in cash and cash equivalents	10,896,047	(11,219,819)
Cash and cash equivalents at beginning of year	14,996,125	26,215,944
Cash and cash equivalents at end of year	25,892,172	14,996,125
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	25,892,172	14,996,125

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

1. GENERAL INFORMATION

China Treasure (Greater China) Investments Limited (the "Company") is a limited liability company incorporated and domiciled in the Cayman Islands. The address of the Company's registered office is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies and its principal place of business is Room 1603, 16/F Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is principally engaged in investing in listed and unlisted companies established in The People's Republic of China (the "PRC"), Hong Kong, Australia, Taiwan and United States, which have substantial operations in the PRC, in order to achieve medium to long term capital appreciation.

The financial statements on pages 20 to 43 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

The financial statements for the year ended 31 December 2005 were approved by the board of directors on 25 April 2006.

2. ADOPTION OF NEW OR REVISED HKFRS

From 1 January 2005, the Company has adopted all new or revised standards and interpretations of HKFRS, which are relevant to its operations. These include the following new, revised and renamed standards:

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 39 (Amendment)	Transitional and Initial Recognition of Financial Assets and Financial Liabilities
HKFRS2	Share – based Payment
HK(SIC) Int-15	Operating Leases – Incentives

All the standards have been applied retrospectively except when specific transitional provisions require a different treatment.

Significant effects on current, prior or future periods arising from the first-time application of the standards listed above in respect to presentation, recognition and measurement of accounts are described in the following notes:

2.1 Adoption of HKAS 39

Prior to the adoption of HKAS 39, investments in securities are measured at fair value. Changes in fair value of investments in securities were recognised in the income statement as they arose.

On the adoption of HKAS 39, the Company classified its investments in securities as financial assets at fair value through profit and loss or available-for-sale financial assets and measured its financial assets at fair value.

In accordance with the transitional provisions of HKAS 39, it does not permit the recognition, derecognition and measurement of financial assets and liabilities in accordance with the standard on a retrospective basis. Accordingly, the reclassification is made on 1 January 2005 and the comparative figures have not been restated.

2.2 Other standards adopted

The adoption of other new or revised standards or interpretations did not result in significant changes to the Company's accounting policies. The specific transitional provisions contained in some of these standards were considered. The adoption of these other standards did not result in any changes to the amounts or disclosures in these financial statements.

2.3 New standards or interpretations that have been issued but are not yet effective

The Company has not early adopted the following standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the financial statements of the Company.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKAS 19 (Amendment)	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures[2]
HKAS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation[2]
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions[2]
HKAS 39 (Amendment)	The Fair Value Option[2]
HKAS 39 & HKFRS 4 (Amendment)	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts[2]
HKFRS 1 & HKFRS 6 (Amendments)	First-time Adoption of Hong Kong Financial Reporting Standards and Exploration for and Evaluation of Mineral Resources[2]
HKFRS 6	Exploration for and Evaluation of Mineral Resources[2]
HKFRS 7	Financial Instruments – Disclosures[1]
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease[2]
HK(IFRIC)-Int 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds[2]
HK(IFRIC)-Int 6	Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment[3]
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[4]

[1] Effective for annual periods beginning on or after 1 January 2007
[2] Effective for annual periods beginning on or after 1 January 2006
[3] Effective for annual periods beginning on or after 1 December 2005
[4] Effective for annual periods beginning on or after 1 March 2006

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared on the historical cost basis as modified for revaluation of certain financial assets and financial liabilities as set out in notes 3(e) and 3(f) below.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The significant accounting policies adopted in the preparation of these financial statements are set out below.

(b) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following bases:

(i) interest income is recognised on a time-proportion basis using the effective interest method; and

(ii) Dividend income is recognised when the right to receive payment is established.

(c) Foreign currencies

The financial statements are presented in Hong Kong Dollars ("HK$"), which is also the Company's functional currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

(d) Impairment of assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

An impairment loss is reversed if there has been a change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) Financial assets

The Company's financial assets include financial assets at fair value through profit or loss, available-for-sale financial assets and other receivables.

The accounting policies adopted in respect of each category of financial assets are set out below:

In previous years, the Company recognised its investments in securities at fair value on a trade-date basis. At each balance sheet date, the net unrealised gains or losses arising from the changes in fair value of investments in securities were recognised in the income statement. Gains or losses on disposal of investments in securities, representing the difference between the net sales proceeds and the carrying amounts, were recognised in the income statement as they arose.

From 1 January 2005 onwards, the Company classified its financial assets as financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables and held-to-maturity investments. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised on their trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

(i) Financial assets at fair value through profit or loss

This category comprises financial assets that are either held for trading or are designated by the Company to be carried at fair value through profit or loss on initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with changes in fair value recognised in the income statement. Financial assets originally designated as financial assets at fair value through profit or loss may not subsequently be re-classified.

(ii) Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. All financial assets within this category are subsequently measured at fair value, with changes in value recognised in equity. Upon disposal, the cumulative gain or loss previously recognised in equity is transferred to the income statement. When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in the income statement even though the financial asset has not been derecognised. Impairment losses previously recognised in the income statement on equity instruments will not reverse through the income statement in subsequent periods. Impairment losses previously recognised in the income statement on debt securities are subsequently reversed through the income statement if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not reverse in subsequent periods.

(iii) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses. Any changes in their value are recognised in income statement.

Receivables are provided against when objective evidence is received that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

(f) Financial liabilities

The Company's financial liabilities include other payable and accrued charges. Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in finance costs in the income statement.

Payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest rate method.

(g) Income tax

Income tax comprises current and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred tax is calculated using the liability method on temporary differences at the balance sheet date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised in the income statement, or in equity if they relate to items that are charged or credited directly to equity.

(h) Employee benefits

(i) Employee entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Non-accumulating compensated absences are not recognised until the time of leave.

(ii) Pension obligations

The Company operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' relevant income and are charged to the income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Company in an independently administered fund. The Company's employer contributions vest fully with the employees when contributed into the MPF Scheme.

(i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and form an integral part of the Company's cash management.

(j) Equity

Share capital is determined using the nominal value of shares that have been issued.

Share premium includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

(k) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Annual rentals applicable to such operating leases are charged to the income statement on the straight-line basis over the lease terms.

(l) Related parties

A party is considered to be related to the Company if:

(i) directly, or indirectly through one or more intermediaries, the party:

- controls, is controlled by, or is under common control with, the Company;
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company;

(ii) the party is an associate;

(iii) the party is a jointly-controlled entity;

(iv) the party is a member of the key management personnel of the Company;

(v) the party is a close member of the family of any individual referred to in (iv); or

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individuals referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company did not use any critical accounting estimates and judgements in the preparation of the financial statements.

5. REVENUE AND OTHER OPERATING (LOSS)/INCOME

An analysis of revenue and other operating (loss)/income is as follows:

	2005	**2004**
	HK$	*HK$*
Revenue		
Bank interest income	622,704	–
Other interest income	2,746	234,000
Dividend income	14,524	–
	639,974	234,000
Other operating (loss)/income		
Bank interest income	–	18,769
Exchange (losses)/gains	(29,884)	27,460
	(29,884)	46,229

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company is principally engaged in investing in listed and unlisted companies in the PRC, Hong Kong, Taiwan, Australia and United States during the year.

All of the activities of the Company are based in Hong Kong and all of the Company's revenue and operating loss are derived from Hong Kong.

Accordingly, no segment information has been presented.

7. LOSS BEFORE INCOME TAX

	2005	2004
	HK$	*HK$*
Loss before income tax is arrived at after charging:		
Staff costs, including directors' emoluments* *(note 10)*		
Wages and salaries	1,232,200	423,042
Retirement benefits scheme contributions	20,184	9,500
	1,252,384	432,542
Auditors' remuneration	180,000	161,000
Operating lease payments in respect of rental premises	64,770	–

* *Includes directors' emoluments of which HK$120,338 were paid during the year to two former directors who resigned in 2004.*

8. INCOME TAX EXPENSE

During the year, no provision for Hong Kong profits tax had been made as the Company had available tax losses brought forward to offset the estimated assessable profits arising in Hong Kong.

During the year ended 31 December 2004, no provision for Hong Kong profits tax has been made in the financial statements as the Company did not derive any assessable profits.

Reconciliation between income tax expense and accounting loss at applicable tax rate is as follows:

	2005	2004
	HK$	*HK$*
Loss before income tax	(897,386)	(606,511)
Tax at the statutory rate of 17.5% (2004: 17.5%)	(157,043)	(106,139)
Tax effect of non-taxable income	(111,992)	(1,306,739)
Tax effect of non-deductible expenses	288,820	962,500
Tax effect on tax loss not recognised	–	450,378
Tax effect of prior year's unrecognised tax losses utilised this year	(19,785)	–
Total income tax expense	–	–

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the net loss for the year of HK$897,386 (2004: HK$606,511) and on the weighted average of 116,940,274 shares in issue during the year (2004: 103,000,000).

No diluted loss per share has been presented because the Company did not have any potential ordinary shares in issue during the year.

10. DIRECTORS' REMUNERATION AND SENIOR MANAGEMENT'S EMOLUMENTS

The emoluments of each director, on a named basis, for the years ended 31 December 2005 and 2004 are set out below:

	Fees	Salaries, allowances and benefits in kind	Employer's retirement benefits scheme contributions	Total
	HK$	*HK$*	*HK$*	*HK$*
2005				
Executive directors				
Ma Kam Fook, Robert	–	–	–	–
Pang Bang Xuan *(note 1)*	91,068	–	–	91,068
Chu Wai Lim *(note 2)*	–	85,800	4,290	90,090
Li Ji Ning *(note 3)*	–	360,000	6,000	366,000
Independent non-executive directors				
Foo Chi Ming *(note 4)*	75,574	–	–	75,574
Li Pik Ha *(note 2)*	60,000	–	–	60,000
Wong Chi Keung *(note 4)*	151,148	–	–	151,148
Fung Choi On *(note 5)*	44,427	–	–	44,427
	422,217	445,800	10,290	878,307
2004				
Executive directors				
Ma Kam Fook, Robert	–	–	–	–
Pang Bang Xuan	–	–	–	–
Non-executive director				
Joel Lazare Hohman	60,000	–	–	60,000
Independent non-executive directors				
Foo Chi Ming	–	–	–	–
Wong Chi Keung	–	–	–	–
Chan Wai Dune	60,000	–	–	60,000
Fung Choi On	15,945	–	–	15,945
	135,945	–	–	135,945

Notes:

1. Resigned on 8 July 2005
2. Appointed on 19 January 2005
3. Appointed on 30 June 2005
4. Resigned on 18 January 2006
5. Resigned on 19 January 2005

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

During the year, no emoluments were paid by the Company to the directors as an inducement to join, or upon joining the Company, or as compensation for loss of office.

Five highest paid individuals

The five highest paid individuals during the year included four (2004: three) directors, whose emoluments are set out above. The details of the emoluments of the remaining one (2004: two) highest paid individuals are as follows:

	2005	**2004**
	HK$	*HK$*
Salaries and other benefits	120,000	287,097
Retirement benefits scheme contributions	6,000	9,500
	126,000	296,597

The emoluments of the above (2004: two) highest paid employee during the year were within the emoluments band ranging from nil to HK$1,000,000.

11. INVESTMENTS IN SECURITIES

Investments in securities as at 31 December 2004 are set out below. Upon the adoption of HKAS 39 on 1 January 2005, investments in securities were reclassified to financial assets at fair value through profit or loss or available-for-sale financial assets.

	2004
	HK$
Equity securities:	
– Listed	20,574,949
– Unlisted	2,500,000
	23,074,949
Listed:	
– Hong Kong	16,018,320
– Overseas	4,556,629
Unlisted	2,500,000
	23,074,949
Market value of listed securities	20,574,949
Carrying amount analysed for reporting purposes as:	
– Current	20,574,949
– Non-current	2,500,000
	23,074,949

12. DEPOSIT PAID

The deposit paid represents consideration for the purchase of a 6% equity interest in an unlisted company, HengRong Guarantee Company Limited (''HengRong''), amounting to HK$3 million and HK$1 for an option to acquire an additional 6% equity interest in that company from an independent third party (the "Acquisition") in accordance with the registered capital at the date of the acquisition and the terms and conditions as further agreed by both parties. The Acquisition has not been completed up to the date of approval of these financial statements pending the approval from the Foreign Exchange Regulatory Board of the PRC government. Should the Acquisition not be completed within six months from the date of the acquisition contract, the vendor is required to refund the deposit to the Company.

HengRong was incorporated as a limited liability company with registered capital of RMB50,000,000 in the PRC. The principal activity of HengRong is the provision of guarantees to individuals and companies and related consultancy services.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2005
	HK$
Listed equity securities, at fair value	
– Hong Kong	9,582,324
– Overseas	8,240,520
	17,822,844
Market value of listed securities	17,822,844

The carrying amount of the above financial assets are classified as follows:

	2005
	HK$
Held for trading	17,822,844

Particulars of one of the listed equity securities holding as at 31 December 2005, disclosed pursuant to Section 129 of the Hong Kong Companies Ordinance, are as follows:

Name of company	**Country of incorporation**	**Proportion of nominal value of issued capital held by the company**
ViaGold Capital Limited	Bermuda	5.13%

The Company's investments in this company represent more than one tenth of the assets in the Company's balance sheet as at 31 December 2005.

14. SHARE CAPITAL

	2005 Number of shares	2005 *HK$*	2004 Number of shares	2004 *HK$*
Authorised:				
2,000,000,000 ordinary shares of HK$0.10 each	2,000,000,000	200,000,000	2,000,000,000	200,000,000
Issued and fully paid:				
Ordinary shares of HK$0.10 each				
At 1 January	103,000,000	10,300,000	103,000,000	10,300,000
Issue during the year	20,600,000	2,060,000	–	–
At 31 December	123,600,000	12,360,000	103,000,000	10,300,000

The Company entered into a placing agreement (the ''Placing Agreement'') with an independent third party on 29 April 2005. Pursuant to the Placing Agreement, the Company issued a total of 20,600,000 ordinary shares with par value of HK$0.10 each at a price of HK$0.13 each. The issued share capital of the Company was thus increased from HK$10,300,000 to HK$12,360,000. The excess of the placement proceeds over the nominal value of share capital issued was credited as share premium. The Company has applied approximately HK$2.6 million of the proceeds raised for general working capital purpose.

15. DEFERRED TAXATION

At the balance sheet date, the Company has unused tax losses of approximately HK$7,079,000 (2004: HK$7,192,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams.

16. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 8 February 2002, and revised pursuant to a resolution passed on 6 December 2002, for the primary purpose of providing incentives to Directors and eligible participants (as defined in the Scheme), and will expire on 7 February 2012. Under the Scheme, the board of directors of the Company may grant options to directors of the Company (including non-executive directors and independent non-executive directors) and its eligible participants to subscribe for shares in the Company.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or independent non- executive directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 7 days of the date of grant, upon payment of HK$1.00 for the options granted. Options may be exercised at any time from the date of grant of the share option to a period to be notified by the board of directors of the Company to each grantee at the time of making such offer, which shall not expire later than 10 years from the date of grant. The exercise price is determined by the board of directors of the Company at its absolute discretion and will not be less than the higher of (a) the closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (b) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a share of the Company on the date of grant.

No option has been granted under the Scheme since its adoption.

17. RETIREMENT BENEFITS SCHEME

The Company operates a Mandatory Provident Fund scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Company, in funds under the control of trustees. The Company contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees, subject to a cap of monthly relevant income of HK$20,000.

The total cost charged to income statement of HK$20,184 (2004: HK$9,500) represents contributions payable to this scheme by the Company in respect of the current accounting year.

18. RELATED PARTY TRANSACTIONS

During the year, the Company paid investment management fees of HK$511,668 (2004: HK$1,272,541) to China Core Capital Management Limited ("China Core"). China Core is wholly-owned by Mr. Ma Kam Fook, Robert ("Mr. Robert Ma"), an executive director of the Company. The fee was charged half-yearly at an agreed percentage of the net asset value of the Company. On 15 March 2005, the Company entered into a termination agreement with China Core whereby both parties agreed to terminate the investment management agreement with effect from 13 June 2005.

During the year, the Company paid investment management fees of HK$328,501 (2004: Nil) to United Gain Investment Limited (''United Gain''), a newly appointed investment manager of the Company. Under the Investment Management Agreement, United Gain is entitled to a monthly management fee equivalent to 1.25% per annum of the net asset value of the Company as at the last dealing day on the Stock Exchange in each calendar month, calculated on the basis of the actual number of days in the relevant calendar month over a year of 365 days. In addition, United Gain is also entitled to an annual incentive fee equivalent to 5% of the Surplus Net Asset Value* of the Company for each financial year. The total fees payable to United Gain will be subject to a maximum amount of HK$650,000 per annum.

During the year, Jensmart International Limited, a company which is wholly-owned by Mr. Robert Ma, performed certain administrative services (including provision of office premises) for the Company, for which a management fee of HK$30,000 (2004: HK$60,000) was charged. The fee was charged at a mutually agreed price.

* *Surplus Net Asset Value mean "in relation to each financial year, 15% of the surplus in the net asset value as at the year end date of the financial year less the net asset value as at the year end date of the previous financial year."*

19. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Company's exposure to market risk, including principally changes in interest rates and currency exchange rates. Generally, the Company employs a conservative strategy regarding its risk management. As the Company's exposure to market risk is kept at a minimum level, the Company has not used any derivatives or other instruments for hedging purposes. The Company does not hold or issue derivative financial instruments for trading purposes.

As at 31 December 2005, the Company's financial assets and liabilities mainly consisted of bank balances and cash, financial assets at fair value through profit or loss, other receivables and deposits and other payables and accrued charges.

(i) Interest rate risk

The Company has no significant exposure to interest rate risks as the Company has sufficient surplus working capital, and no interest-bearing borrowings are required.

(ii) Foreign currency risk

The Company has no significant foreign currency risk due to limited foreign currency transactions.

(iii) Credit risks

The Company's bank balances are all deposited with banks in Hong Kong.

The carrying amounts of financial assets at fair value through profit or loss, other receivables and deposits in the balance sheet represent the Company's maximum exposure to credit risk in relation to the Company's financial assets. No other financial assets carry a significant exposure to credit risk.

(iv) Fair values

The fair value of the Company's financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

20. POST BALANCE SHEET EVENTS

Subsequent to year end date, the Company had entered into a sale and purchase agreement with an independent party for the purchase of 5,735 ordinary shares of an unlisted company, incorporated in the British Virgin Islands, at a cash consideration of HK$4,000,000. The principal activity of the unlisted company is the provision of internet access, internet hosting and other related services and sales of related equipment. The acquisition was completed after year end and the Company had a 0.0001% equity interest in it thereafter.

4. UNAUDITED INTERIM RESULTS

The following are the unaudited interim results of the Company as extracted from the Company's interim report for the six months ended 30 June 2006.

CONDENSED INCOME STATEMENT

For the six months ended 30 June 2006

	Notes	**2006** *HK$* (unaudited)	**2005** *HK$* (unaudited)
Turnover	*3*	44,148,157	40,345,043
Cost of sales		(25,528,705)	(36,103,160)
Gross Profit		18,619,452	4,241,883
Other operating income	*3*	54,117	–
Fair value gains (losses) on financial assets at fair value through profit or loss		(1,381,578)	429,373
Administrative expenses		(1,493,913)	(1,393,593)
Other operating expenses		(670,132)	(583,807)
Profit before income tax	*5*	15,127,946	2,693,856
Income tax expense	*6*	(218,000)	–
Net profit for the period		14,909,946	2,693,856
Earnings per share	*7*		
– Basic		0.1206	0.0253
– Diluted		NA	NA

CONDENSED BALANCE SHEET
At 30 June 2006

	Notes	30 June 2006 HK$ (unaudited)	31 December 2005 HK$ (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Available-for-sale financial assets	8	4,000,000	–
Deposit paid	9	3,000,001	3,000,001
		7,000,001	3,000,001
Current assets			
Financial assets at fair value through profit or loss	10	31,529,705	17,822,844
Other receivables, prepayments and deposits		297,670	194,155
Tax recoverable		205,123	423,123
Bank balances and cash		22,712,464	25,892,172
		54,744,962	44,332,294
Current liabilities			
Other payables and accrued charges		315,370	812,648
Net current assets		54,429,592	43,519,646
Total assets less current liabilities		61,429,593	46,519,647
Net assets		61,429,593	46,519,647
EQUITY			
Share capital		12,360,000	12,360,000
Reserves		49,069,593	34,159,647
Total equity		61,429,593	46,519,647
Net asset value per share	11	HK$0.4970	HK$0.3764

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2006

	Share capital	Share premium account	Accumulated losses	Total
	HK$	*HK$*	*HK$*	*HK$*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2005	10,300,000	85,871,636	(51,432,603)	44,739,033
Issue of shares	2,060,000	618,000	–	2,678,000
Net profit for the period	–	–	2,693,856	2,693,856
At 30 June 2005	12,360,000	86,489,636	(48,738,747)	50,110,889
At 31 December 2005	12,360,000	86,489,636	(52,329,989)	46,519,647
Net profit for the period	–	–	14,909,946	14,909,946
At 30 June 2006	12,360,000	86,489,636*	(37,420,043)*	61,429,593

* *These reserve accounts comprise the reserves of HK$49,069,593 (31 December 2005: HK$34,159,647) in the condensed balance sheet.*

CONDENSED CASH FLOW STATEMENT

For the six months ended 30 June 2006

	For the six months period ended 30 June	
	2006	**2005**
	HK$	*HK$*
	(unaudited)	(unaudited)
Net cash inflow from operating activities	820,292	19,345,523
Net cash (outflow)/inflow from investing activities	(4,000,000)	187,599
Net cash inflow from financing activities	–	2,678,000
Net (decrease)/increase in cash and cash equivalents	(3,179,708)	22,211,122
Cash and cash equivalents at beginning of the period	25,892,172	14,996,125
Cash and cash equivalents at end of the period	22,712,464	37,207,247
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	22,712,464	37,207,247

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2006

1. BASIS OF PREPARATION

The unaudited interim financial statements have been prepared in accordance with Hong Kong Accounting Standards (''HKAS'') 34 ''Interim Financial Reporting'' issued by the Hong Kong Institute of Certified Public Accountants (''HKICPA'') and with applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (''Listing Rules''). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 December 2005.

The interim financial statements have not been audited, but have been reviewed by the Company's audit committee.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

The accounting policies and basis of preparation adopted in these unaudited interim financial statements are consistent with those adopted in the annual report for the year ended 31 December 2005.

The available-for-sale financial assets are non-derivative financial assets which are recognised initially at fair value, plus, directly attributable transaction costs. Subsequent to initial recognition, the financial assets within this category are measured at fair value, with changes in value recognised in equity. For available for sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in income statement when there is objective evidence that the asset is impaired. Such impairment loss will not reverse in subsequent periods.

The Company has not early adopted the following standards or interpretations that have been issued but are not yet effective. The directors of the Company anticipate that the application of these standards or interpretations will have no material impact on the interim financial statements of the Company.

HKAS 1 (Amendment)	Capital Disclosures[1]
HKFRS 7	Financial Instruments: Disclosures[1]
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies[2]
HK(IFRIC)-Int 8	Scope of HKFRS 2[3]
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives[4]

[1] Effective for annual periods beginning on or after 1 January 2007
[2] Effective for annual periods beginning on or after 1 March 2006
[3] Effective for annual periods beginning on or after 1 May 2006
[4] Effective for annual periods beginning on or after 1 June 2006

3. TURNOVER AND OTHER OPERATING INCOME

An analysis of turnover and other operating income is as follows:

	For the six months period ended 30 June	
	2006	**2005**
	HK$	*HK$*
	(unaudited)	(unaudited)
Turnover:		
Bank interest income	433,196	187,599
Dividend income	69,984	–
Proceeds from sales of financial assets at fair value through profit or loss	43,644,977	40,157,444
	44,148,157	40,345,043
Other operating income		
Exchange gains	54,117	–

4. SEGMENTAL INFORMATION

The Company is principally engaged in investing in listed and unlisted companies in People's Republic of China (the "PRC"), Hong Kong, Australia, Taiwan and United States during the period.

All of the activities of the Company are based in Hong Kong and all of the Company's revenue and operating loss are derived from Hong Kong.

Accordingly, no segment information has been presented.

5. PROFIT BEFORE INCOME TAX

	For the six months period ended 30 June	
	2006	**2005**
	HK$	*HK$*
	(unaudited)	(unaudited)
Profit before income tax is arrived at after charging:		
Staff costs, including directors' emoluments		
Wages and salaries	1,056,832	345,654
Retirement benefits scheme contributions	22,290	4,758
	1,079,122	350,412
Operating lease payments in respect of rental premises	153,935	30,000

6. INCOME TAX EXPENSE

During the six months ended 30 June 2006, Hong Kong profits tax has been provided at the rates of 17.5% on the estimated assessable profit for the period. No provision for Hong Kong profits tax had been made for the six months ended 30 June 2005 as the Company had available tax losses brought forward to offset the estimated assessable profits arising in Hong Kong.

	For the six months period ended 30 June	
	2006	**2005**
	HK$	*HK$*
	(unaudited)	(unaudited)
Current tax		
– Hong Kong		
Tax for the period	218,000	–

Reconciliation between income tax expense and accounting profit at applicable tax rate is as follows:

	For the six months period ended 30 June	
	2006	**2005**
	HK$	*HK$*
	(unaudited)	(unaudited)
Profit before income tax	15,127,946	2,693,856
Tax at the statutory rate of 17.5% (2005: 17.5%)	2,647,391	471,425
Tax effect of non-taxable income	(346,735)	(143,953)
Tax effect of non-deductible expenses	29,200	10,068
Tax effect of prior year's unrecognised tax losses utilised this period	(2,111,856)	(337,540)
Income tax expense	218,000	–

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the net profit for the period of HK$14,909,946 (2005: HK$2,693,856) and on 123,600,000 shares in issue during the period (2005: the weighted average of 106,414,365 shares in issue).

No diluted earnings per share has been presented because the Company did not have any potential ordinary shares in issue during the period.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2006	**31 December 2005**
	HK$	*HK$*
Unlisted equity securities, at cost	4,000,000	–

The amount represents an approximately 3.72% equity investment in an unlisted company, incorporated in the British Virgin Islands. The principal activity of the unlisted company is the provision of internet access, internet hosting and other related services and sales of related equipment.

9. DEPOSIT PAID

The deposit paid represents consideration for the purchase of a 6% equity interest in an unlisted company, HengRong Guarantee Company Limited (''HengRong''), amounting to HK$3 million and HK$1 for an option to acquire an additional 6% equity interest in that company from an independent third party (the "Acquisition") in accordance with the registered capital at the date of the acquisition and the terms and conditions as further agreed by both parties. The Acquisition has not been completed up to the date of these unaudited interim financial statements pending the approval from the Foreign Exchange Regulatory Board of the PRC government. The Acquisition period had been extended to twelve months in accordance with the latest supplementary acquisition agreement. Should the Acquisition not be completed within the aforesaid duration from the date of the acquisition contract, the vendor is required to refund the deposit to the Company.

HengRong was incorporated as a limited liability company with registered capital of RMB50,000,000 in the PRC. The principal activity of HengRong is the provision of guarantees to individuals and companies and related consultancy services.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2006 *HK$*	**31 December 2005** *HK$*
Listed equity securities, at fair value		
– Hong Kong	26,653,632	9,582,324
– Overseas	4,876,073	8,240,520
	31,529,705	17,822,844

11. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of HK$61,429,593 (31 December 2005: HK$46,519,647) and the 123,600,000 (31 December 2005: 123,600,000) ordinary shares in issue as at 30 June 2006.

12. OPERATING LEASE COMMITMENTS

The company leases its office premises under operating lease arrangement. The leases run for an initial period of two years.

At 30 June 2006, the total future minimum lease payments in respect of land and buildings under non-cancellable operating leases were payable as follows:

	30 June 2006 *HK$*	**31 December 2005** *HK$*
Within one year	555,012	–
In the second to fifth years	485,636	–
	1,046,648	–

13. RELATED PARTY TRANSACTIONS

During the period, the Company paid investment management fees of HK$359,554 (2005: Nil) to United Gain Investment Limited (''United Gain''), an investment manager of the Company. Under the Investment Management Agreement, United Gain is entitled to a monthly management fee equivalent to 1.25% per annum of the net asset value of the Company as at the last dealing day on the Stock Exchange in each calendar month, calculated on the basis of the actual number of days in the relevant calendar month over a year of 365 days. In addition, United Gain is also entitled to an annual incentive fee equivalent to 5% of the Surplus Net Asset Value* of the Company of each financial year.

* *Surplus Net Asset Value means ''in relation to each financial year, 15% of the surplus in the net asset value as at the year end date of the financial year less the net asset value as at the year end date of the previous financial year".*

During the period ended 30 June 2005, investment management fees of HK$511,668 were paid to China Core Capital Management Limited ("China Core"). China Core is wholly-owned by Mr. Ma Kam Fook, Robert ("Mr. Robert Ma"), an executive director of the Company. The fee was charged half-yearly at an agreed percentage of the net asset value of the Company. On 15 March 2005, the Company entered into a termination agreement with China Core whereby both parties agreed to terminate the investment management agreement with effect from 13 June 2005.

During the period ended 30 June 2005, Jensmart International Limited, a company which is wholly-owned by Mr. Robert Ma, performed certain administrative services (including provision of office premises) for the Company, for which management fee of HK$30,000 was charged. The fee was charged at a mutually agreed price.

14. POST BALANCE SHEET EVENT

Upon the expiry of the investment management agreement on 12 September 2006, the Company and (United Gain Investments Limited) investment manager are in the process of negotiating the terms and conditions of the agreement.

15. COMPARATIVE FIGURES

Certain of the comparative figures in the condensed income statement have been reclassified to conform with the current period's presentation.

5. INDEBTEDNESS

Save as disclosed herein, as at the close of business on 31 January 2007, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Company did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

6. WORKING CAPITAL

The Directors are of the opinion that, taking into account the present financial resources of the Company and the estimated net proceeds from the Rights Issue, the Company will have sufficient working capital for its present requirements, in the absence of unforeseen circumstances.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 December 2005, the date to which the latest published audited financial statements of the Company were made up.

8. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS OF THE COMPANY

The following is the unaudited pro forma statement of adjusted net tangible assets of the Company which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the proposed Rights Issue as if they had taken place on 30 June 2006. This statement has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Company following the Rights Issue:

	Unaudited net tangible assets of the Company as at 30 June 2006 *HK$'000* *(Note 1)*	*Add:* **Estimated net proceeds from the Rights Issue** *HK$'000* *(Note 2)*	**Unaudited pro forma net tangible assets of the Company** *HK$'000*
	61,430	10,000	71,430
Unaudited net tangible assets of the Company per Share before the Rights Issue *(Note 3 & 4)*			HK$4.97
Unaudited pro forma net tangible assets of the Company per Share after the Rights Issue *(Note 4 & 5)*			HK cents 57.79

Notes:

1. The net tangible assets as at 30 June 2006 have been extracted from the interim financial statements of the Company for the six months ended 30 June 2006.

2. The estimated net proceeds from the issue of the 111,240,000 Rights Shares are based on the Subscription Price of HK$0.1 per Rights Share, after deduction of the related expenses of approximately HK$1,124,000.

3. Based on 12,360,000 Shares in issue as at 8 February 2007.

4. The effect of ten-to-one share consolidation which with effect from 8 February 2007 has been taken into accounts for calculation of number of shares.

5. The unaudited pro forma net tangible assets of the Company per Share after the Rights Issue is based on the unaudited pro forma net tangible assets of HK$71,430,000 and 123,600,000 shares, which is the aggregate of 111,240,000 Rights Shares after the completion of Rights Issue and 12,360,000 issued Shares.

6. No adjustment has been made, except for the share consolidation mentioned in note 4, to reflect any trading results or other transaction of the Company entered into subsequent to 30 June 2006.

9. LETTER ON UNAUDITED PRO FORMA STATEMENT OF ADJUSTED NET TANGIBLE ASSETS OF THE COMPANY

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, received from Lau & Au Yeung C.P.A. Limited in respect of the unaudited pro forma statement of adjusted net tangible assets of the Company as set out in this appendix.

LAU
AU YEUNG

劉歐陽會計師事務所有限公司
LAU & AU YEUNG C.P.A. LIMITED

Lau & Au Yeung C.P.A. Limited
Room 2701, 27th Floor, Wing On House
71 Des Voeux Road
Central
Hong Kong

The Directors
China Treasure (Greater China) Investments Limited

6 March 2007

Dear Sirs,

We report on the statement of unaudited pro forma net tangible assets of China Treasure (Greater China) Investments Limited (the "Company") set out on page 65 under the heading of "Unaudited Pro Forma Statement of Adjusted Net Tangible Assets of the Company" (the "unaudited pro forma financial information") in Appendix I of the Company's circular dated 6 March 2007, in connection with the proposed Rights Issue by the Company (the "Circular"). The unaudited pro forma financial information has been prepared by the Directors of the Company, for illustrative purposes only, to provide information about how the proposed Rights Issue might have affected the relevant financial information of the Company. The basis of preparation of the statement of unaudited pro forma financial information is set out on page 65 of the Circular.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the Directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29 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 Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unaudited net assets of the Company as at 30 June 2006 with the interim financial statements of the Company as at 30 June 2006, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the statement of unaudited pro forma financial information has been properly compiled by the Directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Company and that the adjustments are appropriate for the purposes of the statement of unaudited pro forma net tangible assets as disclosed pursuant to paragraph 4.29 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Company as at 30 June 2006 or any future date.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the Directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Company; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Lau & Au Yeung C.P.A. Limited
Certified Public Accountants
Hong Kong,

Au Yeung Tin Wah
Practising Certificate Number P02343

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 contained herein misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors

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

Name of Director	Capacity or Nature of Interests	Number of Shares Long position	Number of Shares Short position	Approximate percentage of issued share capital of the Company
Mr. Li	Beneficial owner	1,810,000	–	14.64%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executives of the Company had or was deemed to have any interest and short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required 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 they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, the following persons (not being Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Positions in the Rights Shares

Name of Shareholders	**Capacity or Nature of Interests**	**Number of Shares Long position**	**Short position**	**Approximate percentage of issued share capital of the Company (as enlarged by the issue of the Rights Shares)**
The Underwriter *(Note)*	Beneficial owner	94,950,000	–	76.82%
Chu Yuet Wah *(Note)*	Interest of a controlled corporation	94,950,000	–	76.82%
Ma Siu Fong *(Note)*	Interest of a controlled corporation	94,950,000	–	76.82%

Note: The 94,950,000 Shares are the Rights Shares which the Underwriter has underwritten in respect of the Rights Issue. The issued share capital of the Underwriter is owned as to 51% by Chu Yuet Wah and as to 49% by Ma Siu Fong respectively. Each of Chu Yuet Wah and Ma Siu Fong is therefore deemed to be interested in the 94,950,000 Shares held by the Underwriter under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executives of the Company were not aware of any other person (other than the Directors and the chief executives of the Company) who had interests or short positions in the shares or underlying shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

3. EXPERT AND CONSENT

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

Name	Qualification
AMS	a licensed corporation to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Lau & Au Yeung C.P.A. Limited	Certified Public Accountants

Each of AMS and Lau & Au Yeung C.P.A. Limited has given and has not withdrawn its written consent to (i) the issue of this circular with the inclusion of its letter as set out in this circular; and (ii) any reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, neither AMS nor Lau & Au Yeung C.P.A. Limited was beneficially interested in the share capital of the Company, nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company, nor did they have any interest, either direct or indirect, in any assets which had been since 31 December 2005 (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 or were proposed to be acquired or disposed of by or leased to the Company.

4. MATERIAL LITIGATION

As at the Latest Practicable Date, so far as known to the Directors, there was no litigation, arbitration or claim of material importance in which the Company is engaged or pending or which was threatened against the Company.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, there was no existing or proposed service contract between the Company and the Directors (excluding contracts expiring or determinable by the Company within one year without payment of compensation, other than statutory compensation).

6. MATERIAL CONTRACTS

During the two years immediately preceding the date of this circular, except for the Underwriting Agreement, the Company has not entered into any contract that is not a contract entered into in the ordinary course of business.

7. EXPENSES

The estimated expenses in connection with the Rights Issue (including but not limited to the underwriting commission, printing, registration, financial advisory, legal, professional and accounting charges) are approximately HK$1.12 million and payable by the Company.

8. MISCELLANEOUS

(a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to the Company since 31 December 2005, being the dated to which the latest published audited accounts of the Company were made up.

(b) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Company.

(c) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

(d) The branch share registrar of the Company in Hong Kong is Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

(e) The principal place of business of the Company in Hong Kong is at Unit 1809, 18th Floor, Tower II, Lippo Centre, 89 Queensway, Hong Kong.

(f) The secretary of the Company is Ms. Chui Yee Man, solicitor and the qualified accountant of the Company is Mr. Chen Kwok Wang, a practicing member of the Hong Kong Institute of Certified Public Accountants.

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

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (Saturdays and public holidays excepted) at Rooms 1910-1913, Hutchison House, 10 Harcourt Road, Central, Hong Kong from the date of this circular up to and including 23 March 2007:

(a) the memorandum of continuance of the Company and the Bye-Laws;

(b) the annual reports of the Company for the years ended 31 December 2004 and 31 December 2005;

(c) the unaudited interim report of the Company for the six months ended 30 June 2006;

(d) the Underwriting Agreement;

(e) the written consent referred to in the paragraph headed "Expert and Consent" in this appendix;

(f) the letter from the Independent Board Committee, the text of which is set out on page 21 of this circular;

(g) the letter of advice from AMS, the text of which is set out on pages 22 to 34 of this circular; and

(h) the letter from Lau & Au Yeung C.P.A. Limited, the text of which is set out on pages 66 to 67 of this circular.

China Treasure
(Greater China) Investments Limited
華寶(大中華)投資有限公司*

(Continued into Bermuda with limited liability)
(Stock Code: 810)

NOTICE IS HEREBY GIVEN that a special general meeting of China Treasure (Greater China) Investments Limited (the **"Company"**) will be held at 11:00 a.m. on Friday, 23 March 2007 at Rooms 1910-1913, Hutchison House, 10 Harcourt Road, Central, Hong Kong for the purpose of considering and, if thought fit, passing the following ordinary resolution:

ORDINARY RESOLUTION

"THAT subject to the fulfillment of the conditions in the underwriting agreement dated 8 February 2007 entered into between Kingston Securities Limited (the **"Underwriter"**) and the Company (the **"Underwriting Agreement"**), a copy of which has been tabled at the meeting marked "A" and initialed by the chairman of the meeting for the purpose of identification:

(a) the allotment and issue by way of rights issue (the **"Rights Issue"**) of 111,240,000 shares of HK$0.01 each in the share capital of the Company (the **"Rights Shares"**) to the shareholders of the Company (the **"Shareholders"**) at the subscription price of HK$0.1 per Rights Share in the proportion of nine (9) Rights Shares for every one (1) Share then held by the Shareholders whose names appear on the register of members of the Company at the close of business on a date to be fixed by the directors of the Company (the **"Record Date"**), other than those shareholders whose addresses on the register of members of the Company are outside Hong Kong on the Record Date and whom the directors of the Company, after making relevant enquiry as required under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, and on the terms and conditions as set out in the circular of the Company dated 6 March 2007, a copy of which has been tabled at the meeting marked "B" and initialed by the chairman of the meeting for the purpose of identification, and such other terms and conditions as may be determined by the directors of the Company be and is hereby approved;

(b) the Underwriting Agreement be and is hereby approved, confirmed and ratified and any director of the Company be and is hereby authorised to do such acts or execute such other documents which may be necessary, desirable or expedient in his/her opinion to carry into effect or to give effect to the terms of the Underwriting Agreement; and

* *For identification purpose only*

(c) the directors of the Company be and are hereby authorised to allot and issue the Rights Shares pursuant to and in connection with the Rights Issue and to do all such acts and things and execute all such documents which in their opinion may be necessary, desirable or expedient to carry out or give effect to or in connection with the Rights Issue or any transactions contemplated thereunder."

By order of the Board
China Treasure (Greater China) Investments Limited
Chu Wai Lim
Executive Director

Hong Kong, 6 March 2007

Head office and principal place of business in Hong Kong:
Unit 1809, 18th Floor
Tower II, Lippo Centre
89 Queensway
Hong Kong

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Notes:

(1) A form of proxy for use at the meeting is enclosed herewith.

(2) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing, or if the appointer is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person authorized to sign the same.

(3) Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy needs not be a member of the Company.

(4) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the meeting.

(5) Completion and return of the form of proxy will not preclude members from attending and voting at the special general meeting or any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.

(6) Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the meeting, either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.