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If you have sold or transferred all your shares in Goldbond Group Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**GOLDBOND GROUP HOLDINGS LIMITED****金榜集團控股有限公司***(Incorporated in Hong Kong with limited liability)***(Stock code: 00172)**

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE FORMATION OF
JOINT VENTURE COMPANIES
AND ESTABLISHMENT OF A REAL ESTATE FUND AND
A FUND MANAGER
AND
(2) NOTICE OF GENERAL MEETING**

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

**大有融資有限公司****MESSIS CAPITAL LIMITED**

Capitalised terms used in this cover shall have the same meanings as defined in this circular.

A letter from the Board is set out on pages 5 to 21 of this circular and a letter from the Independent Board Committee is set out on page 22 of this circular. A letter from Messis Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Shareholders Agreements and the transactions contemplated thereunder is set out on pages 23 to 37 of this circular.

A notice convening the GM to be held at JW Marriot Ballroom, JW Marriot Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 9 July 2015 at 10:00 a.m. is set out on pages 44 to 45 of this circular. Whether or not you are able to attend the GM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 24 hours before the time appointed for holding of the GM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM or any adjournment thereof should you so wish.

23 June 2015

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Accompanying Document – Form of Proxy for the GM

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Goldbond Group Holdings Limited (金榜集團控股有限公司) (stock code: 00172), a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the completion date of the Shareholders Agreements
“connected person”	has the meaning ascribed to it under the Listing Rules
“deemed connected person”	has the meaning ascribed to it under the Listing Rules
“Designated Countries”	the following countries, list of which can be amended by the Fund at any time and from time to time with prior written notification to the Manager pursuant to the Investment Management Agreement: (i) Canada, (ii) Japan, (iii) the United States of America, (iv) Australia and (v) all countries within the European Union
“Director(s)”	director(s) of the Company
“Dynasty Wealth”	Dynasty Wealth Investments Limited, a company duly organized and existing under the laws of the British Virgin Islands, and an Independent Third Party
“Evergold Global”	Evergold Global Company Limited, a company duly organized and existing under the laws of the British Virgin Islands and a directly wholly owned subsidiary of the Company
“Fund”	Allied Golden Capital Fund I (Cayman) Company Limited (or any such other name as the parties to the Fund Shareholders Agreement may agree), an exempted limited company to be incorporated under the laws of the Cayman Islands by the parties to the Fund Shareholders Agreement

DEFINITIONS

“Fund Shareholders Agreement”	the Shareholders Agreements dated 22 May 2015 entered into amongst Gold Magic, South Field, Dynasty Wealth and Marine Partner in respect of, among other things, the establishment of the Fund
“GM”	the general meeting of the Company proposed to be convened and held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 9 July 2015 at 10:00 a.m. for the Independent Shareholders to consider and, if thought fit, approve the Shareholders Agreements and the transactions contemplated thereunder
“Gold Magic”	Gold Magic Global Limited, a company duly organized and existing under the laws of the British Virgin Islands and a directly wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company, comprising all the independent non-executive Directors (namely Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH), formed for the purpose of giving a recommendation to the Independent Shareholders in respect of the Shareholders Agreements and the transactions contemplated thereunder
“Independent Financial Adviser”	Messis Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong and being appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of, among other things, the Shareholders Agreements and the transactions contemplated thereunder
“Independent Shareholders”	Shareholder(s) other than Mr. Wong, Ms. Wong, Mr. Ding and Mr. Chu and their respective associate(s)

DEFINITIONS

“Independent Third Party”	an independent third party not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associate(s)
“Investment Management Agreement”	the investment management agreement to be entered into between the Manager and the Fund on the Completion Date
“Latest Practicable Date”	19 June 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	Goldbond Capital Investments Limited (or any such other name as the parties to the Manager Shareholders Agreement may agree), an exempted limited company to be incorporated under the laws of the Cayman Islands by the parties to the Manager Shareholders Agreement
“Manager Shareholders Agreement”	the Shareholders Agreements dated 22 May 2015 entered into amongst Evergold Global, Max Gain and Purple Heart in respect of, among other things, the establishment of the Manager
“Marine Partner”	Marine Partner Holdings Limited, a company duly organized and existing under the laws of the British Virgin Islands, and a deemed connected person of the Company
“Max Gain”	Max Gain Group Limited, a company duly organized and existing under the laws of the British Virgin Islands, and a connected person of the Company
“Mr. Chu”	Mr. Chu Stephen Henry
“Mr. Ding”	Mr. Ding Chung Keung, an executive Director
“Mr. Wong”	Mr. Wong Yu Lung, Charles, an executive Director
“Ms. Wong”	Ms. Wong, Michelle Yatyee, an executive Director

DEFINITIONS

“percentage ratio”	has the meaning ascribed to it under Rule 14.07 of the Listing Rules
“Performance Fee”	has the meaning ascribed to it in the paragraph headed “5. Return distributions” of this circular
“PRC”	the People’s Republic of China, which shall, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Purple Heart”	Purple Heart Global Limited, a company duly organized and existing under the laws of the British Virgin Islands, and an Independent Third Party
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders Agreements”	collectively the Manager Shareholders Agreement and the Fund Shareholders Agreement
“South Field”	South Field Investments Limited, a company duly organized and existing under the laws of the British Virgin Islands, and a connected person of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States Dollars, the lawful currency of United States
“%”	percentage

For illustration purpose only, amounts denominated in US\$ in this circular have been translated into HK\$ at an exchange rate of US\$1:HK\$7.8.

LETTER FROM THE BOARD



GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00172)

Executive Directors:

Mr. Wang Jun (*Chairman*)
Mr. Wong Yu Lung, Charles (*Deputy Chairman*)
Mr. Ding Chung Keung (*Chief Executive Officer*)
Ms. Wong, Michelle Yatyee

Registered office:

Unit 3901, 39th Floor
Tower One, Lippo Centre
89 Queensway
Hong Kong

Independent non-executive Directors:

Mr. Ma Ho Fai SBS JP
Mr. Cheng Yuk Wo
Mr. Ng Chi Keung MH

23 June 2015

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE FORMATION OF
JOINT VENTURE COMPANIES
AND ESTABLISHMENT OF A REAL ESTATE FUND AND
A FUND MANAGER**

Reference is made to the announcement of the Company dated 22 May 2015 whereby the Board announced that, on 22 May 2015 (after trading hours), Evergold Global and Gold Magic (each a wholly owned subsidiary of the Company) have entered into the Shareholders Agreements in relation to the establishment of a real estate investment fund and a fund manager, each in the form of an exempted limited company in the Cayman Islands.

The purpose of this circular is to provide you with, among other things, (i) further details of the Shareholders Agreements, (ii) the recommendation from the Independent Board Committee regarding the Shareholders Agreements, (iii) the advice from the Independent Financial Adviser regarding the Shareholders Agreements, and (iv) notice of GM.

Set out below are the summaries of the key terms of the Shareholders Agreements, comprising the Manager Shareholders Agreement and the Fund Shareholders Agreement.

LETTER FROM THE BOARD

I. SUMMARY OF THE MANAGER SHAREHOLDERS AGREEMENT

On 22 May 2015 (after trading hours), Evergold Global, Max Gain and Purple Heart entered into the Manager Shareholders Agreement to, among other things and subject to conditions, establish the Manager in the Cayman Islands and procure the Manager to enter into the Investment Management Agreement with the Fund such that the Fund will be managed by the Manager. Below is a summary of the key terms of the Manager Shareholders Agreement:

1. Date:

22 May 2015 (after trading hours)

2. Parties:

- (i) Evergold Global, a wholly owned subsidiary of the Company
- (ii) Max Gain, a connected person of the Company
- (iii) Purple Heart, an Independent Third Party

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Purple Heart and its ultimate beneficial owner are Independent Third Parties.

3. Transactions to be completed under the Manager Shareholders Agreement

Subject to the conditions set out in paragraph 4 below, the following matters (among other things) shall occur (or have occurred) upon completion of the Manager Shareholders Agreement:

- (i) the parties to the Manager Shareholders Agreement shall procure the establishment of a Manager entity to be named "Goldbond Capital Investments Limited", or in any other agreed name, in the Cayman Islands as an exempted limited company and the Manager is expected to be accounted for as a joint venture in the books of the Company;
- (ii) the Manager shall adopt a set of articles of association in the agreed form;
- (iii) the authorized share capital of the Manager is US\$50,000 (equivalent to approximately HK\$390,000) divided into 500,000 ordinary shares with a par value of US\$0.1 (equivalent to approximately HK\$0.78) each, and each ordinary share of the Manager shall be issued to Evergold Global, Max Gain and Purple Heart at US\$1.00 (equivalent to approximately HK\$7.8);

LETTER FROM THE BOARD

- (iv) Evergold Global, Max Gain and Purple Heart shall contribute capital into the Manager in the amounts of US\$196,000 (equivalent to approximately HK\$1,528,800), US\$124,000 (equivalent to approximately HK\$967,200) and US\$80,000 (equivalent to approximately HK\$624,000), respectively and upon such capital contribution, the Manager will be owned as to 49% (196,000 ordinary shares), 31% (124,000 ordinary shares) and 20% (80,000 ordinary shares) by Evergold Global, Max Gain and Purple Heart, respectively;
- (v) the board of directors of the Manager shall consist of four (4) directors, of which Evergold Global is entitled to nominate two (2) directors and each of Max Gain and Purple Heart is entitled to nominate one (1) director (the presence of at least three directors, including one director appointed by Max Gain and one director appointed by Purple Heart, is required to form a valid quorum for a meeting of the directors of the Manager); and
- (vi) the Manager shall enter into the Investment Management Agreement with the Fund (the proposed terms of the Investment Management Agreement have been set out in the paragraph headed “III. Proposed terms of the Investment Management Agreement” below).

The capital contribution amounts and shareholding percentages in the Manager by the parties to the Manager Shareholders Agreement (as set out in paragraph (iv) above) have been arrived at after arm's length negotiations between those parties having taken into account their respective financial resources, investment strategies and risks appetites.

4. Conditions precedent to be satisfied

Completions of the Manager Shareholders Agreement and the Fund Shareholders Agreement are inter-conditional upon each other. Moreover, the completion of the Manager Shareholders Agreement is also conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) passing of the resolutions at the GM by way of poll by the Independent Shareholders in relation to the Shareholders Agreements and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (ii) the necessary filings with the Cayman Islands Monetary Authority under the Cayman Islands Securities and Investments Business Law in respect of the Manager having been made.

If the conditions above are not satisfied or waived in accordance with the Manager Shareholders Agreement by 30 September 2015, then the Manager Shareholders Agreement shall lapse, and the obligations of the parties to the Manager Shareholders Agreement shall cease and neither party shall have any claim against the other save for any antecedent breaches thereto. As at the Latest Practicable Date, none of the condition precedents have been satisfied or waived.

LETTER FROM THE BOARD

5. Completion date of the Manager Shareholders Agreement

Completion date of the Manager Shareholders Agreement shall be the date on which completion of the Fund Shareholders Agreement takes place provided that all the conditions precedents to the Manager Shareholders Agreement are satisfied or (if applicable) waived in accordance with the Manager Shareholders Agreement.

6. Restrictions on disposal of shares

Each of the shareholders of the Manager shall not dispose of its shares in the Manager unless it has obtained the prior written consent of all other shareholders to do so, or (at any time after the first anniversary of the completion date of the Manager Shareholders Agreement) it has given a right of first refusal to other shareholders of the Manager and complied with all the tag along and drag along provisions set out in the Manager Shareholders Agreement.

II. SUMMARY OF THE FUND SHAREHOLDERS AGREEMENT

On 22 May 2015 (after trading hours), Gold Magic, South Field, Dynasty Wealth and Marine Partner entered into the Fund Shareholders Agreement to, among other things and subject to conditions, establish the Fund in the Cayman Islands and procure the Fund to enter into the Investment Management Agreement with the Manager such that the Fund will be managed by the Manager. Below is a summary of the Fund Shareholders Agreement:

1. Date:

22 May 2015 (after trading hours)

2. Parties:

- (i) Gold Magic, a wholly owned subsidiary of the Company
- (ii) South Field, a connected person of the Company
- (iii) Dynasty Wealth, an Independent Third Party
- (iv) Marine Partner, a deemed connected person of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Dynasty Wealth and its respective ultimate beneficial owners are Independent Third Parties.

LETTER FROM THE BOARD

3. Transactions to be completed under the Fund Shareholders Agreement

Subject to the conditions set out in paragraph 4 below, the following matters (among other things) shall occur (or have occurred) upon completion of the Fund Shareholders Agreement:

- (i) the parties to the Fund Shareholders Agreement shall procure the establishment of a Fund entity to be named “Allied Golden Capital Fund I (Cayman) Company Limited”, or in any other agreed name, in the Cayman Islands as an exempted limited company and the Fund is expected to be accounted for as an associate in the books of the Company;
- (ii) the Fund shall adopt a set of articles of association in the agreed form;
- (iii) the authorized share capital of the Fund is US\$80,000 (equivalent to approximately HK\$624,000) divided into 80,000,000 ordinary shares with a par value of US\$0.001 (equivalent to approximately HK\$0.0078) each, and each ordinary share of the Fund shall be issued to Gold Magic, South Field, Dynasty Wealth and Marine Partner at US\$1.00 (equivalent to approximately HK\$7.8) (hence the aggregate Fund size is expected to be US\$80,000,000 (equivalent to approximately HK\$624,000,000));
- (iv) the Fund shall be a close-ended investment vehicle (namely the Fund shall not offer any of its shares for subscription or accept any application for subscription for its shares, other than those shares as set out in the Fund Shareholders Agreement);
- (v) Gold Magic, South Field, Dynasty Wealth and Marine Partner will be under unconditional commitment to contribute a maximum of US\$15,920,000 (equivalent to approximately HK\$124,176,000), US\$57,680,000 (equivalent to approximately HK\$449,904,000), US\$800,000 (equivalent to approximately HK\$6,240,000) and US\$5,600,000 (equivalent to approximately HK\$43,680,000), respectively to the capital of the Fund and such contribution shall be made from time to time during the term of the Fund in accordance with the procedures as set out in the Fund Shareholders Agreement (the Company intends to finance Gold Magic’s commitment by way of its internal resources in forms of short term bank deposits and bank balance);
- (vi) initially, each of Gold Magic, South Field, Dynasty Wealth and Marine Partner will contribute US\$398 (equivalent to approximately HK\$3,104.40), US\$1,442 (equivalent to approximately HK\$11,247.60), US\$20 (equivalent to approximately HK\$156) and US\$140 (equivalent to approximately HK\$1,092), respectively to the capital of the Fund upon completion of the Fund Shareholders Agreement, representing 19.9% (398 ordinary shares), 72.1% (1,442 ordinary shares), 1% (20 ordinary shares) and 7% (140 ordinary shares) of the issued capital of the Fund, respectively;

LETTER FROM THE BOARD

- (vii) the board of directors of the Fund shall consists of six (6) directors, of which Gold Magic is entitled to nominate one (1) director, South Field is entitled to nominate three (3) directors and each of Dynasty Wealth and Marine Partner is entitled to nominate one (1) director (the presence of at least three directors and one of which must be a director appointed by South Field is required to form a valid quorum for a meeting of the directors of the Fund); and
- (viii) the Fund shall enter into the Investment Management Agreement with the Manager (the proposed terms of the Investment Management Agreement have been set out in the paragraph headed “III. Proposed terms of the Investment Management Agreement” below).

The capital contribution amounts and shareholding percentages in the Fund by the parties to the Fund Shareholders Agreement (as set out in paragraph (v) above) have been arrived at after arm’s length negotiations between those parties having taken into account their respective financial resources, investment strategies and risks appetites. The capital contribution amounts in the Fund (in whole or in part) will be due for payment within 10 business days from a subscription call notice given by or on behalf of the Fund at any time during the term of the Fund (for further details regarding the duration of the Fund and subscription commitments, please refer to the paragraphs headed “6. Duration of Fund” and “7. Subscription commitments” below).

4. Conditions precedent to be satisfied

Completions of the Fund Shareholders Agreement and the Manager Shareholders Agreement are inter-conditional upon each other. Moreover, the completion of the Fund Shareholders Agreement is also conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) passing of the resolutions at the GM by way of poll by the Independent Shareholders in relation to the Shareholders Agreements and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (ii) the necessary filings with the Cayman Islands Monetary Authority under the Cayman Islands Securities and Investments Business Law in respect of the Manager having been made.

If the conditions above are not satisfied or waived in accordance with the Fund Shareholders Agreement by 30 September 2015, then the Fund Shareholders Agreement shall lapse, and the obligations of the parties to the Fund Shareholders Agreement shall cease and neither party shall have any claim against the other save for any antecedent breaches thereto. As at the Latest Practicable Date, none of the condition precedents have been satisfied or waived.

LETTER FROM THE BOARD

5. Completion date of the Fund Shareholders Agreement

Completion date of the Fund Shareholders Agreement shall be the 10th business day immediately following the date on which all the conditions precedents are satisfied or (if applicable) waived in accordance with the Fund Shareholders Agreement (or such other date as the parties to the Fund Shareholders Agreement may agree).

6. Duration of the Fund

The Fund shall be wound up on the earlier of (i) the third anniversary of the completion date of the Fund Shareholders Agreement (subject to the right of the board of directors of the Fund to extend such term for up to two additional 18-month periods), or (ii) the disposition of all or substantially all of the assets of the Fund.

7. Subscription commitments

Prior to the date falling on the second anniversary of the completion date of the Fund Shareholders Agreement, each of the parties to the Fund Shareholders Agreement may be called upon to subscribe for the shares in the Fund up to its respective maximum subscription commitment as set out in paragraph 3(v) above with a notice period of not less than 10 business days, for the completion of investments, payment of expenses or payment of fees to the Manager.

After the date falling on the second anniversary of the completion date of the Fund Shareholders Agreement, the parties to the Fund Shareholders Agreement shall no longer be under any obligation to subscribe for the shares in the Fund except for the completion of investments committed to by the Fund prior to such date, completion of follow-on investments (such follow-on investments shall not exceed 10% of the maximum subscription commitment as set out in paragraph 3(v) above), payment of expenses or payment of fees to the Manager.

8. Defaults

If a party to the Fund Shareholders Agreement shall fail to fully comply with its subscription commitments, the board of directors of the Fund may require any distribution to such defaulting party be set off or withheld, redeem the defaulting party's shares in the Fund (at a 30% discount on the net asset value per share calculated using the lesser of historical cost or most recently appraised value), and/or terminate the defaulting party's right to subscribe for further shares in the Fund and require the defaulting party to transfer all, but not less than all, of its shares in the Fund to one or more person at the same 30% discount rate mentioned above (provided that existing shareholders of the Fund other than the defaulting party shall have a preference to purchase such shares held by the defaulting party on a pro rata basis in proportion to their respective holding of shares in the Fund).

9. Restrictions on disposal of shares

Each of the shareholders of the Fund shall not dispose of its shares in the Fund unless it has obtained the prior written consent of all other shareholders to do so, or (at any time after the first anniversary of the completion date of the Fund Shareholders Agreement) it has given a right of first refusal to other shareholders at a consideration not exceeding its original subscription price.

LETTER FROM THE BOARD

III. PROPOSED TERMS OF THE INVESTMENT MANAGEMENT AGREEMENT

Subject to the completion of the Shareholders Agreements, the Manager shall enter into the Investment Management Agreement with the Fund on the Completion Date. Below is a summary of the proposed major terms of the Investment Management Agreement:

1. Parties

- (i) The Manager
- (ii) The Fund

2. Term

- (i) The initial term of the Investment Management Agreement shall be for a period of three (3) years commencing from the date of the Investment Management Agreement, unless extended or terminated in accordance with the terms thereunder.
- (ii) Subject to the consent of the Fund, the Manager may by written notice to the Fund, given not less than 90 days prior to the expiry of the then term (as extended, if applicable), to extend the then term for up to two (2) additional eighteen (18) months period.

3. Provision of services by the Manager

Subject to the Investment Guidelines and the Investment Restrictions (as detailed in the paragraph headed “4. Investment Guidelines and Investment Restrictions” below), the Manager shall have full authority and power to manage the portfolio of the Fund on a discretionary basis.

4. Investment Guidelines and Investment Restrictions

The Manager shall observe the below Investment Guidelines and Investment Restrictions when carrying out and performing its obligations under the Investment Management Agreement:

- (i) Investment Guidelines: the Manager shall ensure that all obligations regarding licensing, compliance, record retention, resources, independent audit function, risks management, cost minimization, return maximization etc are observed and complied with; and
- (ii) Investment Restrictions: the target asset class to be invested in by the Fund is restricted to real estate assets, comprising lands and buildings, and encompass interests in residential, commercial and industrial properties (including equity interest in corporations whose sole asset held is real estate asset) located in the Designated Countries, and the Fund will only invest in investments or series of investments which at least sixty per cent (60%) of the real estate assets encompassed thereby are located within the Designated Countries at the time the Fund commits to make such investments.

LETTER FROM THE BOARD

The general investment objective of the Fund will be to act as a collective investment vehicle to make opportunistic investments in real estate assets primarily within the Designated Countries. The Fund does not currently have detailed proposed investment policies and the investment policies of the Fund shall be determined and adopted by the board of directors of the Fund in accordance with the terms of the Fund Shareholders Agreement as and when appropriate or necessary to do so.

5. Return distributions

All distributions by the Fund will be made as follows:

- (i) management costs: first, to the Manager, in respect of any accrued but unpaid fees and disbursements (such management costs shall be payable quarterly in arrears and shall accrue daily from the date of the Investment Management Agreement);
- (ii) return of subscription: second, 100% to the shareholders of the Fund on a pro rata basis in proportion to their respective holding of shares in the Fund, until the cumulative amount distributed to all shareholders of the Fund is equal to the total amount paid by them for the shares in the Fund held by them;
- (iii) preferred return: third, 100% to the shareholders of the Fund on a pro rata basis in proportion to their respective holding of shares in the Fund, until the cumulative amount distributed to all shareholders of the Fund is sufficient to give all shareholders of the Fund an internal rate of return of 8% per annum (compounded on a daily basis) on the aggregate amount paid by each shareholders of the Fund in respect of the shares held by them (net of all distributions made in respect of such shares) in the Fund; and
- (iv) 80/20 split: fourth, to the extent of any excess, 80% to the shareholders of the Fund on a pro rata basis in proportion to their respective holding of shares in the Fund, and 20% to the Manager (as the Performance Fee).

The preferred return at an internal rate of return of 8% per annum and the 80/20 split, each as set out in paragraphs 5(iii) and 5(iv) above respectively, have been determined based on arm's length negotiations between the parties to the Shareholders Agreement taking into account their expected level of return from investments of similar nature and magnitude.

6. Clawback

Upon the liquidation of the Fund, if the Manager has received cumulative Performance Fee payments in excess of 20% of the cumulative aggregate distributions to all shareholders of the Fund, the Manager shall return such excess amount to the Fund for distribution among the shareholders of the Fund, provided that the Manager will in no event be required to return any amount that exceeds the amount of cumulative Performance Fee payments received by the Manager. Any such amount returned by the Manager shall be distributed to the shareholders of the Fund on a pro rata basis in proportion to their respective holding of shares in the Fund as at the liquidation of the Fund.

LETTER FROM THE BOARD

7. Payment of fees by the Fund

The Fund shall pay to the Manager the following fees (in addition to the Performance Fee) as applicable:

- (i) Management fees: half per cent (0.5%) per calendar quarter (or annualised at two per cent (2%) per annum) on the amount equal to the total amount of the portfolio of the Fund that has been invested, and remain invested, during the relevant quarter (to be prorated according to the actual period of services if services have been provided for less than a full calendar quarter);
- (ii) Acquisition fees: one per cent (1%) of the total acquisition cost in relation to all investments made by the Manager (in addition to any costs and expenses charged at market rates payable to a third-party in connection with the acquisition of investments which shall be borne by the Fund);
- (iii) Property management fees: a quarter per cent (0.25%) per calendar quarter (or annualised at one per cent (1%) per annum) of the total purchase (acquisition) cost of the investments in respect of which the Manager or its affiliate(s) has provided property management services during such calendar quarter (to be prorated according to the actual period of services if services have been provided for less than a full calendar quarter);
- (iv) Disbursement expenses: all out of pocket expenses incurred in connection with locating, evaluating and consummating investments and potential investments (whether or not the acquisition is consummated), all expenses relating to the ownership and operation of real property, including real estate taxes, interest, leasing fees and management fees and expenses, and all fees and expenses arising in connection with the operations of the Fund; and
- (v) Organizational expenses: up to US\$150,000 (equivalent to approximately HK\$1,170,000) for all actual out of pocket expenses incurred in connection with the establishment of the Fund.

IV. REASONS AND BENEFITS OF THE SHAREHOLDERS AGREEMENTS

As the global economy continues to improve, especially in the more developed countries, the Company intends to participate in the Fund so as to capture and benefit from the opportunities in the recovering real estate markets in those countries. The Company's proposed investments in the Manager and the Fund were originated from several discussions between the management of the Company and the proposed senior executives of the Manager in respect of broadening the investment scope of the Group and achieving the optimal profit objectives for the Group in the long term (Marine Partner was brought into these discussions, and later into the transaction, as a result of its relationship with Ms. Wong (namely the sole shareholder of Marine Partner being the father-in-law of Ms. Wong)). Apart from investing in the Fund, the

LETTER FROM THE BOARD

Company will also hold a significant interest in the Manager in order to ensure proper implementation of the investment strategies and benefit from the long term economic interest generated (by way of management fees and Performance Fees) by, and equity value created in respect of, the Manager in the event that the Fund continues to generate favourable returns. The Board would like to note that while the Group intends to hold a significant shareholding percentage (49%) in the Manager, the Group's proposed shareholding percentage in the Fund is less significant (namely 19.9%) because (A) the proposed investment amount by the Group into the Manager (namely US\$196,000 (equivalent to approximately HK\$1,528,800)) is far less than the proposed maximum investment amount by the Group into the Fund (namely US\$15,920,000 (equivalent to approximately HK\$124,176,000) subject to the 10% potential follow-on investments as set out in the paragraph headed "7. Subscription Commitments" in section II above), and the Group intends to act prudently to reserve its financial resources for other future investment opportunities as and when they arise, and (B) the investments by the Group into the Fund and the Manager represent different risk and return configurations (namely investment into the Fund is purely financial investment while investment in the Manager encompasses the operation of a business) and the current proposed investments by the Group reflect a balanced risk and return portfolio as determined by the Company.

The Company believes that by participating in the Fund and holding a significant interest in the Manager, the Company could diversify its profit stream, take advantage of real estate growth opportunities in geographically diverse developed economies with satisfactory capital gain and/or income producing potential, optimise the treasury, broaden its investment scope, and further enhance its strategic position.

As at the Latest Practicable Date, it is proposed that the senior executives of the Manager to include the following:

1. Mr. Chu

Upon completion of the Shareholders Agreements, it is proposed that Mr. Chu shall be appointed as the chief executive officer of the Manager. Mr. Chu has more than 20 years of international real estate experience in the fields of investment, sales, leasing, facility management and marketing covering the hotel, industrial, residential, retail, serviced apartment and office sectors of the real estate market. His previous experiences include serving as the Chief Executive Officer of Hui Xian Asset Management Limited (the manager of Hui Xian Real Estate Investment Trust – Hong Kong Stock Code: 87001), Chief Executive Officer of ARA Asset Management (Prosperity) Limited (the manager of Prosperity REIT – Hong Kong Stock Code: 808) and Chief Executive Officer of ARA Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Singapore) Limited, the manager of Fortune REIT – Singapore Stock Code: F25U.SI). He holds a Bachelor of Arts (Honours) degree and a Master of Business Administration degree.

LETTER FROM THE BOARD

2. Ms. Wong

Upon completion of the Shareholders Agreements, it is proposed that Ms. Wong shall be appointed as the deputy chief executive officer of the Manager. Ms. Wong graduated from the University of Southern California, CA. USA., with a Bachelor of Arts degree in Political Science and holds a Juris Doctorate in Law from Whittier Law School, CA., USA. She joined the Company in 2007 as an executive director and she has extensive experience (over 8 years) in sourcing and executing investment activities in various markets including but not limited to USA. She is the daughter of Mr. Wong, the Deputy Chairman of the Company.

3. Ms. Wong Jacqueline Yue Yee (“Ms. Jacqueline Wong”)

Upon completion of the Shareholders Agreements, it is proposed that Ms. Jacqueline Wong shall be appointed as the investment director of the Manager. Ms. Jacqueline Wong graduated from the University of Southern California, CA. USA., with a Bachelor of Arts degree in Political Science and holds a Bachelor of Law degree from University of London. Following her graduation, Jacqueline has been involved in executing various acquisitions and managing an impressive array of residential and commercial real estate projects for her family’s investment portfolio in Asia and the USA for over 4 years involving assets valued in excess of HK\$1,000,000,000. She is the daughter of Mr. Wong, the Deputy Chairman of the Company.

The above proposed appointments of senior executives of the Manager are not yet effective nor exhaustive, because the Manager shall continue to look for other competent candidates for the senior management team of the Manager and all of their appointments will ultimately be subject to the final approval of the board of directors of the Manager in due course.

Given that the proposed senior executives of the Manager have a proven track record, the Company further believes that the Fund will be able to leverage off their established real estate investments and management expertise to bring in an enhanced rate of return for the Company in the long term. Although the Company does not possess any prior experience in establishing or investing into entities similar to the Manager and the Fund, the Company is confident, however, that it would benefit from its participations in the Manager and the Fund on the basis of (i) the proposed senior executives of the Manager (especially the proposed chief executive officer of the Manager) have a proven track record in engaging in similar investment and asset management activities, (ii) the Company is proposed to hold (indirectly through Evergold Global) a significant interest in the Manager to, among other things, ensure proper implementation of the investment strategies, and (iii) the Company has a limited risks exposure, relative to the proposed Fund size, in the investments to be made by the Fund. Moreover, the Manager and the Fund are proposed to be held mostly by the Company and its connected persons and this will ensure that the Manager and the Fund will be operated with such standard of care and professionalism as may be required by the Company from time to time to safeguard its interest in the underlying investments to be made by the Fund. As the majority of the proposed senior executives of the Manager are familiar with real estate investments, especially Mr. Chu who has extensive experiences in the real estate industry, the proposed target investments for the Fund are intended to cover the real estate industry instead of other industries at this stage.

LETTER FROM THE BOARD

The terms of each of the Shareholders Agreements have been arrived at after arm's length negotiations between the parties thereto respectively. The Directors (excluding the independent non-executive Directors whose views are set out in page 22 of this circular) have confirmed that the terms of the Shareholders Agreements and the transactions contemplated thereunder respectively (including the contributions to the registered capital of the Manager and the Fund respectively) are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

V. INFORMATION ON THE COMPANY AND THE COUNTERPARTIES

1. The Group

The Group is principally engaged in the provision of financing services targeting small and medium size enterprises in the PRC and holding of interests in joint ventures. Each of Evergold Global and Gold Magic is a directly wholly owned subsidiary of the Company and the principal business of which is investment holding.

2. Max Gain

Max Gain is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that the entire issued share capital of Max Gain is indirectly held by a discretionary trust of which Ms. Wong, being a Director and a substantial Shareholder, is an eligible beneficiary. The principal business of Max Gain is investment holding.

3. Purple Heart

Purple Heart is a company wholly owned by Mr. Chu and the principal business of Purple Heart is investment holding.

4. South Field

South Field is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that the entire issued share capital of South Field is indirectly held by a discretionary trust of which Ms. Wong, being a Director and a substantial Shareholder, is an eligible beneficiary. The principal business of South Field is investment holding.

5. Dynasty Wealth

Dynasty Wealth is a company wholly owned by Mr. Chu (who currently is an equities investor with an investment focus on real estate equities) and the principal business of Dynasty Wealth is investment holding.

6. Marine Partner

Marine Partner is a company wholly owned by Ms. Wong's father in-law (namely Mr. Kwok Chi Yat, Mark who is an executive director of Wing On Company International Limited (Stock Code: 289)) and the principal business of Marine Partner is investment holding.

LETTER FROM THE BOARD

VI. LISTING RULES IMPLICATIONS

1. Manager Shareholders Agreement

Max Gain is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that the entire issued share capital of Max Gain is indirectly held by a discretionary trust of which Ms. Wong, being a Director and a substantial Shareholder, is an eligible beneficiary. Accordingly, the Manager Shareholders Agreement and the transactions contemplated thereunder constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

2. Fund Shareholders Agreement

South Field is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that the entire issued share capital of South Field is indirectly held by a discretionary trust of which Ms. Wong, being a Director and a substantial Shareholder, is an eligible beneficiary. Moreover, Marine Partner is also a deemed connected person by virtue of the fact that the entire issued share capital of Marine Partner is held by Ms. Wong's father in-law. Accordingly, the Fund Shareholders Agreement and the transactions contemplated thereunder constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

3. The Shareholders Agreements

As one or more of the applicable percentage ratios in respect of the Shareholders Agreements (in the aggregate) is more than 5%, the Shareholders Agreements are subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As one or more of the relevant applicable percentage ratios in respect of the Shareholders Agreements (in the aggregate) is more than 5% but all of them are less than 25%, the Shareholders Agreements and the transactions contemplated thereunder therefore also constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules.

Ms. Wong has abstained from voting on the Board resolutions approving the Shareholders Agreements as she is considered to have material interest in the Shareholders Agreements by virtue of (i) her interests in Max Gain and South Field respectively, (ii) her proposed directorships in the Manager and the Fund (as a director proposed by Max Gain and South Field, respectively) upon completion of the Shareholders Agreements, and (iii) Marine Partner being a deemed connected person and a party to the Fund Shareholders Agreement. Mr. Wong has abstained from voting on the Board resolutions approving the Shareholders Agreements as he is considered to have material interest in the Shareholders Agreements by virtue of (i) his relationship with Ms. Wong as an associate of Ms. Wong (Mr. Wong is the father of Ms. Wong), and (ii) his proposed directorships in the Manager and the Fund (as a director proposed by Evergold Global and South Field, respectively) upon completion of the Shareholders Agreements. Mr. Ding has abstained from voting on the Board resolutions approving the Shareholders Agreements as he is considered to have material interest in the Shareholders Agreements by virtue of his proposed directorships in the Manager and the Fund (as a director proposed by Evergold Global and Gold Magic, respectively) upon completion of the Shareholders Agreements.

LETTER FROM THE BOARD

Save as disclosed above, none of the other Directors had a material interest in the Shareholders Agreements and no other Director was required to abstain from voting on the Board resolutions to approve the Shareholders Agreements and the transactions contemplated thereunder.

VII. GM

1. Abstain from voting at the GM

Ms. Wong is considered to have material interest in the Shareholders Agreements by virtue of (i) her interests in Max Gain and South Field respectively, (ii) her proposed directorships in the Manager and the Fund upon completion of the Shareholders Agreements, and (iii) Marine Partner being a deemed connected person and a party to the Fund Shareholders Agreement.

Mr. Wong is considered to have material interest in the Shareholders Agreements by virtue of (i) his relationship with Ms. Wong as an associate of Ms. Wong, and (ii) his proposed directorships in the Manager and the Fund upon completion of the Shareholders Agreements.

Mr. Ding is considered to have material interest in the Shareholders Agreements by virtue of his proposed directorships in the Manager and the Fund upon completion of the Shareholders Agreements.

Mr. Chu is considered to have material interest in the Shareholders Agreement by virtue of (i) his interests in Purple Heart and Dynasty Wealth, (ii) his proposed appointment as chief executive officer of the Manager upon completion of the Shareholders Agreements, and (iii) his proposed directorships in the Manager and the Fund upon completion of the Shareholders Agreements.

As a result, Ms. Wong, Mr. Wong, Mr. Ding, Mr. Chu and their respective associates will abstain from voting on the resolutions to be proposed at the GM. As at the Latest Practicable Date, Ms. Wong, Mr. Wong and Mr. Ding are interested in the shares of the Company as more particularly set out in section B of the Appendix to this circular and Mr. Chu has interests in approximately 0.02% of the issued share capital of the Company.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the Latest Practicable Date, save as disclosed above, no other Shareholder and its associates are required to abstain from voting on the proposed resolution at the GM to approve the Shareholders Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

2. GM

The GM will be convened and held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 9 July 2015 at 10:00 a.m. to consider and, if thought fit, approve the entering into of the Shareholders Agreements and the transactions contemplated thereunder.

A notice convening the GM is set out on pages 44 to 45 of this circular. A form of proxy for use at the GM is enclosed with this circular. Whether or not you are able to attend the GM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the GM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Independent Shareholders from attending and voting in person at the GM or any adjournment thereof if they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, the proposed resolution put to the vote of the Independent Shareholders at the GM will be taken by poll. The results of the voting at the GM will be announced by the Company following the conclusion thereof.

An Independent Board Committee has been established to advise the Independent Shareholders in relation to the Shareholders Agreements and the transactions contemplated thereunder. Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

VIII. RECOMMENDATION

The Directors (excluding the independent non-executive Directors whose views are set out in page 22 of this circular) consider that the Shareholders Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors (excluding the independent non-executive Directors whose views are set out in page 22 of this circular) recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the GM to approve the Shareholders Agreements and the transactions contemplated thereunder.

Your attention is drawn to the letter from the Independent Board Committee set out on page 22 of this circular which contains its recommendation to the Independent Shareholders on the Shareholders Agreements and the transactions contemplated thereunder.

Your attention is also drawn to the letter of advice from Messis Capital Limited set out on pages 23 to 37 of this circular which contains, amongst other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Shareholders Agreements and the transactions contemplated thereunder, and the principal factors and reasons considered by it in concluding its advice.

LETTER FROM THE BOARD

IX. ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular.

By order of the Board
Goldbond Group Holdings Limited
Kelly Li
Company Secretary

Hong Kong, 23 June 2015



GOLDBOND GROUP HOLDINGS LIMITED

金 榜 集 團 控 股 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00172)

23 June 2015

To the Independent Shareholders

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE FORMATION OF
JOINT VENTURE COMPANIES
AND ESTABLISHMENT OF A REAL ESTATE FUND AND
A FUND MANAGER**

We refer to the circular of the Company dated 23 June 2015 (the “Circular”), of which this letter forms part. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Circular.

Under the Listing Rules, the Shareholders Agreements and the transactions contemplated thereunder constitute discloseable and connected transactions for the Company, and are subject to the approval of the Independent Shareholders at the GM.

We have been appointed by the Board as members of the Independent Board Committee to advise you in relation to the Shareholders Agreements and the transactions contemplated thereunder. Messis Capital Limited has been appointed as the Independent Financial Adviser to advise you and us in this regard. Details of its advice, together with the principal factors and reasons it has taken into consideration in giving such advice, are set out in the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

Having considered the terms of the Shareholders Agreements and the transactions contemplated thereunder and taking into account the independent advice of Messis Capital Limited, we are of the opinion that, although the transactions contemplated under the Shareholders Agreement are not in the ordinary and usual course of business of the Group, the terms of the Shareholders Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend you to vote in favor of the ordinary resolutions to be proposed at the GM to approve the Shareholders Agreements and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Ma Ho Fai SBS JP

Mr. Cheng Yuk Wo

Mr. Ng Chi Keung MH

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



大有融資有限公司
MESSIS CAPITAL LIMITED

23 June 2015

*To: The Independent Board Committee and the Independent Shareholders
of Goldbond Group Holdings Limited*

Dear Sir/Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE FORMATION OF JOINT VENTURE COMPANIES
AND ESTABLISHMENT OF A REAL ESTATE FUND AND A FUND MANAGER**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 23 June 2015 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the Company’s announcement dated 22 May 2015 (the “**Announcement**”), pursuant to which, it was announced, among other things, that on 22 May 2015 (after trading hours), (i) Evergold Global, Max Gain and Purple Heart entered into the Manager Shareholders Agreement to, among other things and subject to conditions, establish the Manager in the Cayman Islands and procure the Manager to enter into the Investment Management Agreement with the Fund such that the Fund will be managed by the Manager; and (ii) Gold Magic, South Field, Dynasty Wealth and Marine Partner entered into the Fund Shareholders Agreement to, among other things and subject to conditions, establish the Fund in the Cayman Islands and procure the Fund to enter into the Investment Management Agreement with the Manager such that the Fund will be managed by the Manager.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Max Gain is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that the entire issued share capital of Max Gain is indirectly held by a discretionary trust of which Ms. Wong, being a Director and a substantial Shareholder, is an eligible beneficiary. Accordingly, the Manager Shareholders Agreement and the transactions contemplated thereunder constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. In addition, South Field is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that the entire issued share capital of South Field is indirectly held by a discretionary trust of which Ms. Wong, being a Director and a substantial Shareholder, is an eligible beneficiary. Moreover, Marine Partner is also a deemed connected person by virtue of the fact that the entire issued share capital of Marine Partner is held by Ms. Wong's father in-law. Accordingly, the Fund Shareholders Agreement and the transactions contemplated thereunder constitute connected transactions of the Company pursuant to Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Shareholders Agreements (in the aggregate) is more than 5%, the Shareholders Agreements are subject to reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Ma Ho Fai, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung, has been established to give recommendation to the Independent Shareholders on the terms of the Shareholders Agreements. We, Messis Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in these regards and to give our opinion in relation to the Shareholders Agreements.

As at the Latest Practicable Date, Messis Capital did not have any relationship with or interest in the Company that could reasonably be regarded as relevant to the independence of Messis Capital. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefits from the Company. Save as acted as the independent financial adviser for the very substantial disposal and connected transaction of the Company which details are disclosed in the circular of the Company dated 24 May 2013, Messis Capital has not acted as an independent financial adviser to the Company in the last two years.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion and recommendations, we have reviewed, *inter alia*, the Announcement, the Circular, the Fund Shareholders Agreement, the Manager Shareholders Agreement, the draft Investment Management Agreement, the latest annual report and the preliminary announcement dated 17 June 2015 of the final results of the Group for the year ended 31 March 2015 of the Company. We have also (i) conducted verbal discussions with the management of the Company regarding the terms of the Fund Shareholders Agreement and the Manager Shareholders Agreement, the businesses and future outlook of the Group; and (ii) researched and considered market data which we deemed relevant in arriving at our recommendation. We have assumed that all information and representations contained or

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

referred to in the Circular and all information and representations which have been provided by the Directors and the management of the Company are true and accurate at the time they were made and will continue to be accurate as at the date of the despatch of the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Company.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed by them in the Circular have been arrived at after due and careful consideration and there are no other material facts not contained in the Circular; the omission of which would make any such statement made by them that contained in the Circular misleading in all material respects. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any material facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group, Max Gain, South Field and their respective associates.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Shareholders Agreements, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

1. Information on the Group and the counterparties

1. The Group

The Group is principally engaged in the provision of financing services targeting small and medium size enterprises in the PRC and holding of interests in joint ventures. Each of Evergold Global and Gold Magic is a directly wholly owned subsidiary of the Company and the principal business of which is investment holding.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the consolidated financial results of the Group for the three years ended 31 March 2015 and financial position of the Group as at 31 March 2013, 31 March 2014 and 31 March 2015 as extracted from the latest annual report and the preliminary announcement date 17 June 2015 of the final results of the Group for the year ended 31 March 2015 of the Company:

	For the year ended 31 March 2013	For the year ended 31 March 2014	For the year ended 31 March 2015
	(Audited)	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations			
Revenue	50,510	64,346	67,270
Profit for the year from continuing operations	86,326	97,685	118,209
Profit for the year from discontinued operations	67,042	47,188	–
Profit for the year	153,368	144,873	118,209
	As at	As at	As at
	31 March	31 March	31 March
	2013	2014	2015
	(Audited)	(Audited)	(Audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	4,107,193	2,610,486	2,742,091
Total liabilities	1,770,344	358,171	408,781
Total equity	2,336,849	2,252,315	2,333,310

2. *Max Gain*

Max Gain is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that the entire issued share capital of Max Gain is indirectly held by a discretionary trust of which Ms. Wong, being a Director and a substantial Shareholder, is an eligible beneficiary. The principal business of Max Gain is investment holding.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. *Purple Heart*

Purple Heart is a company wholly owned by Mr. Chu and the principal business of Purple Heart is investment holding. Upon completion of the Shareholders Agreements, it is proposed that Mr. Chu shall be appointed as the chief executive officer of the Manager. Mr. Chu has more than 20 years of international real estate experience in the fields of investment, sales, leasing, facility management and marketing covering the hotel, industrial, residential, retail, serviced apartment and office sectors of the real estate market. His previous experiences include serving as the Chief Executive Officer of Hui Xian Asset Management Limited (the manager of Hui Xian Real Estate Investment Trust – Hong Kong Stock Code: 87001), Chief Executive Officer of ARA Asset Management (Prosperity) Limited (the manager of Prosperity REIT – Hong Kong Stock Code: 808) and Chief Executive Officer of ARA Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Singapore) Limited, the manager of Fortune REIT – Singapore Stock Code: F25U.SI). He holds a Bachelor of Arts (Honours) degree and a Master of Business Administration degree.

4. *South Field*

South Field is a connected person of the Company for the purpose of the Listing Rules by virtue of the fact that the entire issued share capital of South Field is indirectly held by a discretionary trust of which Ms. Wong, being a Director and a substantial Shareholder, is an eligible beneficiary. The principal business of South Field is investment holding.

5. *Dynasty Wealth*

Dynasty Wealth is a company wholly owned by Mr. Chu (who currently is an equities investor with an investment focus on real estate equities) and the principal business of Dynasty Wealth is investment holding.

6. *Marine Partner*

Marine Partner is a company wholly owned by Ms. Wong's father-in-law (namely Mr. Kwok Chi Yat, Mark who is an executive director of Wing On Company International Limited (Stock Code: 289)) and the principal business of Marine Partner is investment holding.

2. Reasons for and benefits of the Shareholders Agreements

As stated in the Letter from the Board, as the global economy continues to improve, especially in the more developed countries, the Company intends to establish and participate in the Fund so as to capture and benefit from the opportunities in the recovering real estate markets in those countries. Apart from investing in the Fund, the Company will also hold a significant interest in the Manager in order to ensure proper implementation of the investment

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

strategies and benefit from the long term economic interest generated (by way of management fees and performance fees) by, and equity value created in respect of, the Manager in the event that the Fund continues to generate favourable returns. The Board would like to note that while the Group intends to hold a significant shareholding percentage (49%) in the Manager, the Group's proposed shareholding percentage in the Fund is less significant (namely 19.9%) because the proposed investment amount by the Group into the Manager (namely US\$196,000 (equivalent to approximately HK\$1,528,800)) is far less than the proposed maximum investment amount by the Group into the Fund (namely US\$15,920,000 (equivalent to approximately HK\$124,176,000)), and the Group intends to act prudently to reserve its financial resources for other future investment opportunities as and when they arise, and the investments by the Group into the Fund and the Manager represent different risk and return configurations (namely investment into the Fund is purely financial investment while investment in the Manager encompasses the operation of a business) and the current proposed investments by the Group reflect a balanced risk and return portfolio as determined by the Company.

In addition, as set out in the paragraph headed "Principal terms of the Shareholders Agreement – Investment Management Agreement – (c) payment of fees by the Fund" below, the Manager is entitled the management fees, acquisition fees, property management fees, disbursement expenses and organizational expenses. Such fees/expenses shall be determined with reference to the total amount of portfolio of the Fund invested/activities performed by the Manager. Also, pursuant to the Investment Management Agreement, management costs to the Manager in respect of any accrued but unpaid fees (apart from the Performance Fee) and disbursements shall be made before all distributions by the Fund. By maintaining a higher shareholding in the Manager (49%) as compared with that in the Fund (19.9%), we consider that the Group is able to secure stable return from the Fund in form of fees with its higher shareholding in the Manager while maintaining a potential upside with limited exposure through its shareholding in the Fund.

The Company believes that by participating in the Fund and holding a significant interest in the Manager, the Company could diversify its profit stream, take advantage of real estate growth opportunities in geographically diverse developed economies with satisfactory capital gain and/or income producing potential, optimise the treasury, broaden its investment scope, and further enhance its strategic position.

As at the Latest Practical Date, it is proposed that the senior executives of the Manager to include the following:

1. Mr. Chu

Upon completion of the Shareholders Agreements, it is proposed that Mr. Chu shall be appointed as the chief executive officer of the Manager. Mr. Chu has more than 20 years of international real estate experience in the fields of investment, sales, leasing, facility management and marketing covering the hotel, industrial, residential, retail, serviced apartment and office sectors of the real estate market. His previous experiences include serving

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

as the Chief Executive Officer of Hui Xian Asset Management Limited (the manager of Hui Xian Real Estate Investment Trust – Hong Kong Stock Code: 87001), Chief Executive Officer of ARA Asset Management (Prosperity) Limited (the manager of Prosperity REIT – Hong Kong Stock Code: 808) and Chief Executive Officer of ARA Asset Management (Fortune) Limited (formerly known as ARA Asset Management (Singapore) Limited, the manager of Fortune REIT – Singapore Stock Code: F25U.SI). He holds a Bachelor of Arts (Honours) degree and a Master of Business Administration degree.

2. Ms. Wong

Upon completion of the Shareholders Agreements, it is proposed that Ms. Wong shall be appointed as the deputy chief executive officer of the Manager. Ms. Wong graduated from the University of Southern California, CA, USA., with a Bachelor of Arts degree in Political Science and holds a Juris Doctorate in Law from Whittier Law School, CA., USA. She joined the Company in 2007 as an executive director and she has extensive experiences in sourcing and executing investment activities in various markets including but not limited to USA. She is the daughter of Mr. Wong, the Deputy Chairman of the Company.

3. Ms. Wong Jacqueline Yue Yee

Upon completion of the Shareholders Agreements, it is proposed that Ms. Wong Jacqueline Yue Yee shall be appointed as the investment director of the Manager. Ms. Wong Jacqueline Yue Yee graduated from the University of Southern California, CA, USA., with a Bachelor of Arts degree in Political Science and holds a Bachelor of Law degree from University of London. Following her graduation, Jacqueline has been involved in executing various acquisitions and managing an impressive array of residential and commercial real estate projects for her family's investment portfolio in Asia and the USA. She is the daughter of Mr. Wong, the Deputy Chairman of the Company.

The above proposed appointments of senior executives of the Manager are not yet effective nor exhaustive, because the Manager shall continue to look for other competent candidates for the senior management team of the Manager and all of their appointments will ultimately be subject to the final approval of the board of directors of the Manager in due course.

As stated in the Letter from the Board, the Directors believe that the Manager and the Fund are proposed to be held mostly by the Company and its connected persons and this will ensure that the Manager and the Fund will be operated with such standard of care and professionalism as may be required by the Company from time to time to safeguard its interest in the underlying investments to be made by the Fund.

We note that the Company does not possess any prior experience in establishing or investing into entities similar to the Manager and the Fund. However, in view of that the proposed chief executive officer of the Manager has a proven track record of managing a number of real estate investment trusts as the chief executive officer of the managers thereof, the experience of which in our view could be beneficial to the running of the Manager and the Fund, we are of the opinion that the Company can be benefited from establishing the Manager and the Fund.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

There are investment restrictions for the Fund which the target asset class to be invested in by the Fund is restricted to real estate assets, comprising lands and buildings, and encompass interests in residential, commercial and industrial properties (including equity interest in corporations whose sole asset held is real estate asset) located in the Designated Countries, and the Fund will only invest in investments or series of investments which at least sixty per cent (60%) of the real estate assets encompassed thereby are located within the Designated Countries at the time the Fund commits to make such investments. The Designated Countries include (i) Canada, (ii) Japan, (iii) the United States of America, (iv) Australia and (v) all countries within the European Union.

We have reviewed the global house price index issued by International Monetary Fund (IMF) that the global housing markets continue a slow recovery. Following the global financial crisis in 2007-2008, the global house price index has gradually increased from approximately 142.67 in the 4th quarter of 2011 to approximately 148.64 in the 4th quarter of 2014. We have also reviewed the global credit growth statistics issued by the IMF and noted that the average credit growth rate of the Designated Countries (with the European Union represented by Germany, France and United Kingdom which have the highest GDP contribution in the European Union) for the 3rd/4th quarter of 2014 was approximately 1.04%, of which Canada, the United States of America, Australia, Germany and France recorded growth rate ranging from 0.5% to 5.3%. Such growth of the credit market could fuel the recovery and development of the housing market in the Designated Countries. Given that the global housing markets continue a slow recovery and the Designated Countries are developed countries which property markets are more mature than the developing countries and supported by credit growth as discussed above, we are of the view that the Group will be able to take advantage of real estate growth opportunities in geographically diverse developed economies by the entering into the Shareholders Agreements.

Through its contribution of approximately HK\$124.2 million, the Group will hold 19.9% equity interest in the Fund which will have a total capital of HK\$624 million pursuant to the Fund Shareholders Agreement. Through its shareholding in the Fund, the Group would gain access to a wider pool of investment opportunities in the housing market of value above the Group's contribution, while on the other hand, the Group is able to secure stable return from the Fund in form of fees with its higher shareholding in the Manager which in turn shall be based on invested fund. Having considered the above, we consider that it is fair and reasonable for the Group to invest in the housing market through the Shareholders Agreement.

In view of (i) the global housing markets continue a slow recovery; (ii) the Group will be benefited from the long term economic interest generated (by way of management fees and performance fees) by, and equity value created in respect of, the Manager in the event that the Fund continues to generate favourable returns; (iii) the proposed senior executive(s) of the Manager have a proven track record in fund management; and (iv) the Fund allows the Group to invest in a wider pool of investment opportunities in the housing market of value above the Group's contribution while on the other hand, the Group is able to secure stable return from the Fund in form of fees with its higher shareholding in the Manager which in turn shall be based on invested fund, we consider that the Shareholders Agreements are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Principal terms of the Shareholders Agreements

The key terms of each of the Shareholders Agreements are disclosed in the Letter from the Board. The terms of each of the Shareholders Agreements have been arrived at after arm's length negotiations between the parties thereto respectively. The Directors have confirmed that the terms of the Shareholders Agreements and the transactions contemplated thereunder respectively (including the contributions to the registered capital of the Manager and the Fund respectively) are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

1. *Capital contribution*

Pursuant to the Manager Shareholders Agreement, Evergold Global, Max Gain and Purple Heart shall contribute capital into the Manager in the amounts of US\$196,000, US\$124,000 and US\$80,000, respectively and upon such capital contribution, the Manager will be owned as to 49% (196,000 ordinary shares), 31% (124,000 ordinary shares) and 20% (80,000 ordinary shares) by Evergold Global, Max Gain and Purple Heart, respectively.

Pursuant to the Fund Shareholders Agreement, Gold Magic, South Field, Dynasty Wealth and Marine Partner will be under unconditional commitment to contribute a maximum of US\$15,920,000, US\$57,680,000, US\$800,000 and US\$5,600,000, respectively to the capital of the Fund and such contribution shall be made from time to time during the term of the Fund in accordance with the procedures as set out in the Fund Shareholders Agreement (the Company intends to finance Gold Magic's commitment by way of its internal resources).

Given that the capital contributed by Evergold Global into the Manager and Gold Magic into the Fund is in proportional to the Evergold Global and Gold Magic's respective shareholdings in the Manager and Gold Magic, we are of the view that the capital contribution under the Shareholders Agreements by the Group is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

2. *Board of directors*

Pursuant to the Manager Shareholders Agreement, the board of directors of the Manager shall consists of four (4) directors, of which Evergold Global is entitled to nominate two (2) directors and each of Max Gain and Purple Heart is entitled to nominate one (1) director (the presence of at least three directors, including one director appointed by Max Gain and one director appointed by Purple Heart, is required to form a valid quorum for a meeting of the directors of the Manager). By considering the Company will be beneficially interested in 49% of the issued share capital of the Manager, we are of the view that the right to nominate two directors out of total four directors is in proportion to the Company's interests in the Manager and therefore is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the Fund Shareholders Agreement, the board of directors of the Fund shall consist of six (6) directors, of which Gold Magic is entitled to nominate one (1) director, South Field is entitled to nominate three (3) directors and each of Dynasty Wealth and Marine Partner is entitled to nominate one (1) director (the presence of at least three directors and one of which must be a director appointed by South Field is required to form a valid quorum for a meeting of the directors of the Fund). By considering the Company will be beneficially interested in 19.9% of the issued share capital of the Fund which is only slightly higher than one-sixth of the shareholding in the Fund (approximately 16.7%), we are of the view that the right to nominate one director out of total six directors is in proportion to the Company's interests in the Fund and therefore is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

3. Restriction of disposal of shares

Pursuant to the Manager Shareholders Agreement, each of the shareholders of the Manager shall not dispose of its shares in the Manager unless it has obtained the prior written consent of all other shareholders to do so, or (at any time after the first anniversary of the completion date of the Manager Shareholders Agreement) it has given a right of first refusal to other shareholders of the Manager and complied with all the tag along and drag along provisions set out in the Manager Shareholders Agreement.

Pursuant to the Fund Shareholders Agreement, each of the shareholders of the Fund shall not dispose of its shares in the Fund unless it has obtained the prior written consent of all other shareholders to do so, or (at any time after the first anniversary of the completion date of the Fund Shareholders Agreement) it has given a right of first refusal to other shareholders at a consideration not exceeding its original subscription price.

In view of the restriction of disposal of shares apply to all respective shareholders of the Manager and the Fund, we consider such arrangement is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

4. Defaults under the Fund Shareholders Agreement

If a party to the Fund Shareholders Agreement shall fail to fully comply with its subscription commitments, the board of directors of the Fund may require any distribution to such defaulting party be set off or withheld, redeem the defaulting party's shares in the Fund (at a 30% discount on the net asset value per share calculated using the lesser of historical cost or most recently appraised value), and/or terminate the defaulting party's right to subscribe for further shares in the Fund and require the defaulting party to transfer all, but not less than all, of its shares in the Fund to one or more person at the same 30% discount rate mentioned above (provided that existing shareholders of the Fund other than the defaulting party shall have a preference to purchase such shares held by the defaulting party on a pro rata basis in proportion to their respective holding of shares in the Fund). In view of that such arrangements concerning events of default have been agreed after

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

arm's length negotiation between the parties to the Shareholders Agreements which on one hand offer protection to non-defaulting party and on the other hand serve to discourage events of default by the adoption of 30% discount rate, while the redemption clause applies to all shareholders of the Fund, we consider such arrangement is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

5. *Investment Management Agreement*

Subject to the completion of the Shareholders Agreements, the Manager shall enter into the Investment Management Agreement with the Fund on the Completion Date. Below is a summary of the proposed major terms of the Investment Management Agreement:

(a) *Return distributions*

All distributions by the Fund will be made as follows:

- (i) management costs: first, to the Manager, in respect of any accrued but unpaid fees and disbursements (such management costs shall be payable quarterly in arrears and shall accrue daily from the date of the Investment Management Agreement);
- (ii) return of subscription: second, 100% to the shareholders of the Fund on a pro rata basis in proportion to their respective holding of shares in the Fund, until the cumulative amount distributed to all shareholders of the Fund is equal to the total amount paid by them for the shares in the Fund held by them;
- (iii) preferred return: third, 100% to the shareholders of the Fund on a pro rata basis in proportion to their respective holding of shares in the Fund, until the cumulative amount distributed to all shareholders of the Fund is sufficient to give all shareholders of the Fund an internal rate of return of 8% per annum (compounded on a daily basis) on the aggregate amount paid by each shareholders of the Fund in respect of the shares held by them (net of all distributions made in respect of such shares) in the Fund; and
- (iv) 80/20 split: fourth, to the extent of any excess, 80% to the shareholders of the Fund on a pro rata basis in proportion to their respective holding of shares in the Fund, and 20% to the Manager (as the Performance Fee).

The preferred return at an internal rate of return of 8% per annum and the 80/20 split, each as set out in paragraphs 5(iii) and 5(iv) above respectively, have been determined based on arm's length negotiations between the parties to the Shareholders Agreement taking into account their expected level of return from investments of similar nature and magnitude.

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(b) Clawback

Upon the liquidation of the Fund, if the Manager has received cumulative Performance Fee payments in excess of 20% of the cumulative aggregate distributions to all shareholders of the Fund, the Manager shall return such excess amount to the Fund for distribution among the shareholders of the Fund, provided that the Manager will in no event be required to return any amount that exceeds the amount of cumulative Performance Fee payments received by the Manager. Any such amount returned by the Manager shall be distributed to the shareholders of the Fund on a pro rata basis in proportion to their respective holding of shares in the Fund as at the liquidation of the Fund.

(c) Payment of fees by the Fund

The Fund shall pay to the Manager the following fees (in addition to the Performance Fee) as applicable:

- (i) Management fees: half per cent (0.5%) per calendar quarter (or annualised at two per cent (2%) per annum) on the amount equal to the total amount of the portfolio of the Fund that has been invested, and remain invested, during the relevant quarter (to be prorated according to the actual period of services if services have been provided for less than a full calendar quarter);
- (ii) Acquisition fees: one per cent (1%) of the total acquisition cost in relation to all investments made by the Manager (in addition to any costs and expenses charged at market rates payable to a third-party in connection with the acquisition of investments which shall be borne by the Fund);
- (iii) Property management fees: a quarter per cent (0.25%) per calendar quarter (or annualised at one per cent (1%) per annum) of the total purchase (acquisition) cost of the investments in respect of which the Manager or its affiliate(s) has provided property management services during such calendar quarter (to be prorated according to the actual period of services if services have been provided for less than a full calendar quarter);
- (iv) Disbursement expenses: all out of pocket expenses incurred in connection with locating, evaluating and consummating investments and potential investments (whether or not the acquisition is consummated), all expenses relating to the ownership and operation of real property, including real estate taxes, interest, leasing fees and management fees and expenses, and all fees and expenses arising in connection with the operations of the Fund; and
- (v) Organizational expenses: up to US\$150,000 for all actual out of pocket expenses incurred in connection with the establishment of the Fund.

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In assessing the fairness and reasonableness of the Investment Management Agreement, we have reviewed a research report namely “Fees in real estate” produced in 2010 by Towers Watson & Co., a global professional services company listed on NASDAQ Stock Market (stock code: TW) that offers consulting, technology and solution services and it states in the report that the private equity-style real estate funds generally have the below features:

- Fees based on commitments rather than invested capital.
- Fees based on gross asset value rather than net asset value.
- High management fees of 1-2 per cent.
- Preferred returns of around 8 per cent although sometimes higher.
- Carried interest, also known as performance fee, of 20 per cent (with potential for it to be paid partly in cash and partly in units of the underlying fund with a suitable lock-in period, for older funds with periodic payment structures).
- Additional fees and charges for example, transaction, development or financing fees, fund expenses and so on.
- Deal by deal payment of performance fees (with capital invested in individual assets returned) as opposed to prioritising the return of all capital first.

We have also reviewed another research report namely “Management fee, carried interest and other economic terms of real estate funds” produced in 2011 by Russell Investments, a subsidiary of the London Stock Exchange Group, a British-based stock exchange and financial information Group, which states in its report that the terms of real estate funds generally are as follows:

- Management fees come in a variety of ways, which in some cases is a straight-fee basis, say 1.5% on commitments to the fund.
- Carried interest of 20%, over a hurdle rate of 8% or 9%, above which the carried-interest calculation would kick in.
- Transaction fee for acquisition or disposition of real estate assets.

The aforesaid reports focused on real estate funds, which are similar to the Fund, and researched on the various features of real estate funds, including management fee, fee reference basis, carried interest and additional activity-based fee, which cover the key terms governing the Manager and the Fund.

Having considered that the above reports cover the general terms of real estate funds, as well as the background of Towers Watson & Co. and Russell Investments, we consider that the reports are fair and representative reports that provide an overview on the market practice on real estate funds.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As noted from the features of private equity-style real estate funds mentioned in the reports, (i) the management fees of 1-2% is comparable to the annualised management fees of 2% of the Fund; (ii) preferred returns of around 8% equals that of the Fund; (iii) carried interest of 20%, above a hurdle rate of 8% or 9%, is similar to the rate of 80/20 split of distribution for any excess over the preferred returns of 8% of the Fund; and (iv) similar mechanism for additional fees based on activities performed such as transaction. While as stated in the report of Towers Watson & Co., fees are generally based on commitments rather than invested capital, the report recommends fees to be based on invested capital as opposed to commitments.

The reports also mentions that a suitable clawback mechanism should be in place, with appropriate safeguard (such as placing an appropriate percentage of any fee in an escrow account) to protect investors. We consider that the arrangement of return distribution, together with the clawback mechanism, serves to set out clearly the priority in distribution of return, avoid potential disputes, and balance the risk and return profile among the parties to the Shareholders Agreements.

In view of that (i) the fee charged under the Investment Management Agreement is comparable to the features as stated in the Report; (ii) any additional charge by the Manager to the Fund would be favourable to the Group given that the shareholding of the Group in the Manager is higher than the Fund, we are of the view that the terms of the Investment Management Agreement is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

4. Financial effect

Net assets

As set out in the preliminary announcement of the final results of the Group for the year ended 31 March 2015, the net assets value of the Group as at 31 March 2015 was approximately HK\$2,333 million. The Directors expect that the execution of the Shareholders Agreements will have no immediate material impact on the net asset value of the Group.

Liquidity and working capital

The Company intends to finance its commitment by way of its internal resources. As at 31 March 2015, the Group had short term bank deposits of approximately HK\$313 million and bank balances and cash of approximately HK\$8 million. Considering the capital contribution of approximately US\$196,000 (equivalent to approximately HK\$1,528,800) by Evergold Global and approximately US\$15,920,000 (equivalent to approximately HK\$124,176,000) by Gold Magic and the cash level of the Group as at 31 March 2015, it will have no material impact on the liquidity and working capital of the Group.

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Earnings

The Manager is expected to be accounted for as a joint venture and the Fund is expected to be accounted for an associate in the books of the Company. The future earnings of the Group will be impacted by the sharing of gain/loss from each of the Manager and the Fund.

The aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be after the entering into the Shareholders Agreements.

RECOMMENDATION

Having taken into account that (i) the global housing markets continue a slow recovery; (ii) the Group will be benefited from the long term economic interest generated (by way of management fees and performance fees) by, and equity value created in respect of, the Manager in the event that the Fund continues to generate favourable returns; and (iii) the proposed senior executive(s) of the Manager have a proven track record in fund management, we consider that the Shareholders Agreements are in the interests of the Company and the Shareholders as a whole. Given that the principal business of the Group is the provision of financing services targeting small and medium size enterprises in the PRC and holding of interests in joint ventures, the Shareholders Agreements are in the ordinary and usual course of business of the Group. In view of that (i) the Shareholders Agreements are in the interests of the Company and the Shareholders as a whole; (ii) the Shareholders Agreements are in the ordinary and usual course of business of the Group and on normal commercial terms; and (iii) the terms of the Shareholders Agreements are fair and reasonable, we would advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Shareholders Agreements.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Robert Siu
Managing Director

Mr. Robert Siu is a licensed person registered with the SFC and regarded as a responsible officer of Mesis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in corporate finance industry.

A. RESPONSIBILITY STATEMENT

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

B. DISCLOSURE OF INTERESTS**(I) Interests and short positions of Directors and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) 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 (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Interest in Shares

Name of Director	Capacity	Numbers of Shares	Approximate percentage of the issued share capital of the Company as at the Latest Practical Date
Mr. Wang Jun (“Mr. Wang”)	Interest in controlled corporation	101,251,000 (Note 1)	3.68%
Mr. Wong	Founder & trustee of a discretionary trust	855,808,725 (Note 2)	31.13%
Ms. Wong	Interest in controlled corporation & beneficiary of a trust	1,571,655,517 (Note 3)	57.16%

Name of Director	Capacity	Numbers of Shares	Approximate percentage of the issued share capital of the Company as at the Latest Practical Date
Mr. Ding	Beneficial owner	21,230,000	0.77%
Mr. Ma Ho Fai SBS JP ("Mr. Ma")	Beneficial owner	1,200,000	0.04%

Notes:

1. These Shares were held by Canasia Profits Corporation (which was wholly-owned by Mr. Wang).
2. These Shares were held by Allied Luck Trading Limited ("Allied Luck") and the entire issued share capital of Allied Luck is directly held by a discretionary trust (the "Trust") of which Mr. Wong is the settlor and one of the trustees of the Trust. As such, Mr. Wong was deemed to be interested in all these shares.
3. These Shares include 855,808,725 shares held by Allied Luck and 715,846,792 shares held by Ace Solomon Investment Limited ("Ace Solomon"). Ace Solomon was owned as to 50% by Aceyork Investment Limited ("Aceyork") (a company wholly-owned by Ms. Wong) and as to 50% by Allied Golden Investment Limited ("Allied Golden") (a company wholly-owned by Ms. Jacqueline Wong). As such, Ms. Wong was deemed to be interested in all these Shares.

All the interests stated above represent long position.

(ii) Interest in underlying Shares pursuant to share options

Name of Director	Capacity	Number of outstanding options	Number of underlying Shares	Date of grant	Exercise price per Share	Exercisable period
Mr. Wang	Beneficial owner	25,000,000	25,000,000	17 August 2007	HK\$1.014	17 August 2010 to 16 August 2017
Mr. Wong	Beneficial owner	25,000,000	25,000,000	17 August 2007	HK\$1.014	17 August 2010 to 16 August 2017
	Beneficial owner	26,000,000	26,000,000	13 October 2009	HK\$0.500	13 October 2012 to 12 October 2019
	Beneficial owner	26,000,000	26,000,000	1 February 2011	HK\$0.410	1 February 2014 to 31 January 2021
	Beneficial owner	26,000,000	26,000,000	14 October 2014	HK\$0.360	14 October 2016 to 13 October 2024
Ms. Wong	Beneficial owner	13,000,000	13,000,000	1 February 2011	HK\$0.410	1 February 2014 to 31 January 2021
Mr. Ding	Beneficial owner	25,000,000	25,000,000	17 August 2007	HK\$1.014	17 August 2010 to 16 August 2017
	Beneficial owner	26,000,000	26,000,000	13 October 2009	HK\$0.500	13 October 2012 to 12 October 2019
	Beneficial owner	26,000,000	26,000,000	1 February 2011	HK\$0.410	1 February 2014 to 31 January 2021
	Beneficial owner	26,000,000	26,000,000	14 October 2014	HK\$0.360	14 October 2016 to 13 October 2024
Mr. Ma	Beneficial owner	1,500,000	1,500,000	1 February 2011	HK\$0.410	1 February 2014 to 31 January 2021
Mr. Cheng Yuk Wo	Beneficial owner	1,600,000	1,600,000	23 May 2008	HK\$0.692	23 May 2011 to 22 May 2018
	Beneficial owner	2,600,000	2,600,000	1 February 2011	HK\$0.410	1 February 2014 to 31 January 2021
Mr. Ng Chi Keung MH	Beneficial owner	2,600,000	2,600,000	28 June 2013	HK\$0.295	28 June 2015 to 27 June 2023

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

(II) Interests in Shares held by the companies in which the Directors or proposed Director is a director or employee

As at the Latest Practicable Date, the Directors or the proposed Directors who were a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part VX of the SFO, were as follows:

Name of Director	Name of the company	Capacity in such company	Numbers of Shares	Approximate percentage of the issued share capital of the Company as at the Latest Practical Date
Mr. Wong	Allied Luck Trading Limited	Director	855,808,725	31.13%
	Ace Solomon Investments Limited	Director	715,846,792	26.04%
	Aceyork Investment Limited	Director	715,846,792	26.04%
	Allied Golden Investment Limited	Director	715,846,792	26.04%
Ms. Michelle Wong	Allied Luck Trading Limited	Director	855,808,725	31.13%
	Ace Solomon Investments Limited	Director	715,846,792	26.04%
	Aceyork Investment Limited	Director	715,846,792	26.04%
	Allied Golden Investment Limited	Director	715,846,792	26.04%

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

C. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates had any interest in a business, which competes or may compete with the business of the Group.

D. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contract with the Company or any other member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

E. DIRECTOR'S INTEREST IN CONTRACTS

As at the Latest Practicable Date, the Director as mentioned below was materially interested in the following contract which was significant in relation to the business of the Group:

On 2 December 2014, the Company, as tenant, and Golden Palms Development Limited ("Golden Palms"), as landlord, executed a tenancy agreement whereby the Company agreed to lease Unit 3901, 39/F., Tower One, Lippo Centre, 89 Queensway, Hong Kong for a term of 18 months expiring 30 April 2016 for a total rental payment of HK\$3,296,160 (exclusive of management fees, rate, government rent and operating expenses).

As at the Latest Practicable Date, Golden Palms was indirectly held by a discretionary trust of which Ms. Wong, being a Director, is an eligible beneficiary.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group.

F. DIRECTORS' INTEREST IN ASSETS OF THE GROUP

Save as disclose herein, as at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which had been acquired or disposed of by or leased to any member of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2015, the date to which the latest published audited consolidated financial statements of the Company were made up.

G. EXPERTS AND CONSENT

The qualifications of the expert who has given opinions in this circular is as follows:

Name	Qualification
Messis Capital Limited	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance)

Messis Capital Limited does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date.

As at the Latest Practicable Date, MESSIS Capital Limited does not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2015, being the date to which the latest published audited financial statements of the Group were made up.

Messis Capital Limited has given and has not withdrawn its written consents to the issue of this circular with the inclusion of its reports and/or letters and/or the reference to its name in the form and context in which it is respectively included.

H. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

I. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 6:00 p.m. on Monday to Friday, except Saturdays, Sundays and public holidays) at the registered office of the Company in Hong Kong at Unit 3901, 39th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong from 23 June 2015, from the date of this circular up to and including the date of the GM:

- (I) the articles of association of the Company;
- (II) the Shareholders Agreements;
- (III) the letter dated 23 June 2015 from the Independent Board Committee to the Independent Shareholders, the text of which is set out in this circular;
- (IV) the letter dated 23 June 2015 from MESSIS Capital Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out in this circular;
- (V) the letters of consents referred to in the section headed “Experts and consent” in this Appendix; and
- (VI) this circular.

J. GENERAL

- (I) As at the Latest Practicable Date, the company secretary of the Company was Ms. Li Yu Lian, Kelly, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators.
- (II) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (III) The English texts of this circular and the form of proxy shall prevail over their respective Chinese texts in case of any inconsistency.

NOTICE OF GENERAL MEETING



GOLDBOND GROUP HOLDINGS LIMITED

金 榜 集 團 控 股 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00172)

NOTICE IS HEREBY GIVEN that a general meeting of **Goldbond Group Holdings Limited** (the “Company”) will be held at JW Marriott Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 9 July 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

“THAT:

1. the entry into manager shareholders agreement dated 22 May 2015 (the “Manager Shareholders Agreement”) by Evergold Global Company Limited (a wholly owned subsidiary of the Company, “EGG”), Max Gain Group Limited and Purple Heart Global Limited (a copy of which has been produced to the meeting marked “A” and initialed by the Chairman of the meeting for the purpose of identification) and consummation of the transactions contemplated thereunder by EGG be and are hereby approved, ratified and confirmed and any one or more directors of the Company be and is/are hereby authorized to exercise all the powers of the Company to take all steps as he/she/they may in their opinion consider necessary, desirable or expedient to implement and/or give effect to the terms of the Manager Shareholders Agreement and the transactions contemplated thereunder (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the directors of the Company); and
2. the entry into fund shareholders agreement dated 22 May 2015 (the “Fund Shareholders Agreement”) by Gold Magic Global Limited (a wholly owned subsidiary of the Company, “GMG”), South Field Investments Limited, Dynasty Wealth Investments Limited and Marine Partner Holdings Limited (a copy of which has been produced to the meeting marked “B” and initialed by the Chairman of the meeting for the purpose of identification) and consummation of the transactions contemplated thereunder by GMG be and are hereby approved, ratified and confirmed and any one or more directors of the Company be and is/are hereby authorized to exercise all the powers of the Company to take all steps as he/she/they may in their opinion consider necessary, desirable or expedient to implement and/or give effect to the terms of the Fund Shareholders Agreement and the transactions contemplated thereunder (with any amendments to the terms of such agreement which are not inconsistent with the purpose thereof as may be approved by the directors of the Company).”

By Order of the Board
Goldbond Group Holdings Limited
Kelly Li
Company Secretary

NOTICE OF GENERAL MEETING

Hong Kong, 23 June 2015

Registered office:

Unit 3901, 39th Floor, Tower One,
Lippo Centre,
89 Queensway,
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting of the Company may appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and attend and vote on his behalf at the meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation shall be entitled to exercise the same power on behalf of such member of the Company which he or they represent as such member of the Company could exercise.
2. In order to be valid, the instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
3. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than twenty-four (24) hours before the time appointed for the holding of the meeting or any adjournment thereof.
4. Delivery of an instrument appointing a proxy will not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to have been revoked.
5. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. At the meeting, the chairman thereof will exercise his power under article 64(a) of the articles of association of the Company to put the above resolution to the vote of the members of the Company by way of poll.
7. As at the date of this notice, the board of directors of the Company comprises Mr. Wang Jun, Mr. Wong Yu Lung, Charles, Mr. Ding Chung Keung and Ms. Wong, Michelle Yatyee (all being executive directors), Mr. Ma Ho Fai SBS JP, Mr. Cheng Yuk Wo and Mr. Ng Chi Keung MH (all being independent non-executive directors).