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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your Shares in **Good Resources Holdings Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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GOOD RESOURCES

## Good Resources Holdings Limited

天成國際集團控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 109)**

- (1) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO  
FINANCE LEASE AGREEMENTS AND  
(2) MAJOR TRANSACTIONS AND MAJOR AND CONNECTED  
TRANSACTIONS IN RELATION TO LOAN AGREEMENTS**

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



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Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 7 to 23 of this circular and the letter from the Independent Board Committee is set out on pages 24 to 25 of this circular.

A letter of advice from TC Capital International Limited containing its advice to the Independent Board Committee and the Independent Shareholders on the Connected Transaction Agreements is set out on pages 26 to 45 of this circular.

A notice convening the SGM to be held at 38th Floor, Bank of China Tower, No. 1 Garden Road, Hong Kong on 17 May 2016 at 11:00 a.m. is set out on pages 54 to 57 of this circular.

Whether or not you are able to attend the SGM, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or at any adjourned meeting thereof and, in such event, the relevant form of proxy shall be deemed to be revoked.

\* for identification purposes only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following terms or expressions shall have the meanings set out below:*

“Acquisition”	the acquisition of Shanghai Yongsheng by the Company, which was completed on 18 May 2015
“Announcement”	the announcement of the Company dated 3 March 2016 in relation to, among others, the Connected Transaction Agreements and the Major Transactions Agreements
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Good Resources Holdings Limited (天成國際集團控股有限公司) (stock code: 109), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Connected Transaction Agreements”	the Shanghai Renhe Ocean Agreements, the Shanghai Wealth Agreements and the Shanghai Renhe Investment Agreement
“Connected Transaction Loans”	the Shanghai Renhe Ocean Loans, the Shanghai Wealth Loans and the Shanghai Renhe Investment Loan
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Shanghai Renhe Ocean Agreement”	the finance lease agreement dated 15 July 2015 between Shanghai Yongsheng and Shanghai Renhe Ocean in respect of the First Shanghai Renhe Ocean Loan
“First Shanghai Renhe Ocean Loan”	a loan advanced by Shanghai Yongsheng to Shanghai Renhe Ocean in the sum of RMB5,000,000 under the First Shanghai Renhe Ocean Agreement by way of a finance lease arrangement
“First Shanghai Wealth Agreement”	the loan agreement dated 16 July 2015 between Shanghai Yongsheng and Shanghai Wealth in respect of the First Shanghai Wealth Loan
“First Shanghai Wealth Loan”	a loan advanced by Shanghai Yongsheng to Shanghai Wealth in the sum of RMB24,000,000 under the First Shanghai Wealth Agreement

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a committee of the Board established for the purpose of considering the Connected Transaction Agreements and the transactions contemplated thereunder, comprising all the independent non-executive Directors
“Independent Financial Adviser” or “TC Capital”	TC Capital International Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Connected Transaction Agreements
“Independent Shareholders”	in respect of the Connected Transaction Agreements, Shareholder(s) other than Mr. Cheng and his associates
“Latest Practicable Date”	27 April 2016, being the latest practicable date for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Liyang Qingfeng”	溧陽市慶豐太陽能科技有限公司 (Liyang Qingfeng Solar Energy Technology Co., Ltd.*), a company established in the PRC
“Liyang Qingfeng Agreement”	the loan agreement dated 26 August 2015 between Shanghai Yongsheng and Liyang Qingfeng in respect of the Liyang Qingfeng Loan
“Liyang Qingfeng Loan”	a loan advanced by Shanghai Yongsheng to Liyang Qingfeng in the sum of RMB100,000,000 under the Liyang Qingfeng Agreement
“Loans”	the Shanghai Renhe Ocean Loans, the Zhejiang Wenhua Loan, the Sanya Luhuitou Loan, the Liyang Qingfeng Loan, the Shanghai Shihao Loan, the Shanghai Wealth Loans and the Shanghai Renhe Investment Loan

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## DEFINITIONS

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“Major Transaction Agreements”	the Zhejiang Wenhua Agreement, the Sanya Luhuitou Agreement, the Liyang Qingfeng Agreement, the Shanghai Renhe Investment Agreement, the Shanghai Wealth Agreements, the Shanghai Renhe Ocean Agreements and the Shanghai Shihao Agreement
“Mr. Cheng”	Mr. Cheng Kin Ming, the controlling shareholder (as defined under the Listing Rules) of the Company
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“PRC”	the People’s Republic of China
“Previous Finance Lease Transactions”	the three finance lease transactions entered into by Shanghai Yongsheng as disclosed in the announcement of the Company dated 9 November 2015
“Previous Shanghai Wealth Agreement”	the finance lease agreement dated 8 June 2015 between Shanghai Yongsheng and Shanghai Wealth in respect of a loan in the sum of RMB250,000,000 advanced by Shanghai Yongsheng to Shanghai Wealth, the details of which are set out in the announcement of the Company dated 9 November 2015
“Previous Shanghai Wealth Loan”	the loan advanced by Shanghai Yongsheng to Shanghai Wealth in the total sum of RMB250,000,000 under the Previous Shanghai Wealth Agreement by way of a finance lease agreement
“Previous Zhejiang Wenhua Agreement”	the finance lease agreement dated 18 June 2015 between Shanghai Yongsheng and Zhejiang Wenhua in respect of a loan in the sum of RMB30,000,000 advanced by Shanghai Yongsheng to Zhejiang Wenhua, the details of which are set out in the announcement of the Company dated 9 November 2015
“Previous Zhejiang Wenhua Loan”	the loan advanced by Shanghai Yongsheng to Zhejiang Wenhua in the total sum of RMB30,000,000 under the Previous Zhejiang Wenhua Agreement by way of a finance lease agreement
“RMB”	Renminbi, the lawful currency in the PRC
“Sanya Luhuitou”	三亞鹿回頭旅遊區開發有限公司 (Sanya Luhuitou Tourist Area Development Co. Ltd.), a company established in the PRC

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## DEFINITIONS

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“Sanya Luhuitou Agreement”	the loan agreement dated 25 August 2015 between Shanghai Yongsheng and Sanya Luhuitou in respect of the Sanya Luhuitou Loan
“Sanya Luhuitou Loan”	a loan advanced by Shanghai Yongsheng to Sanya Luhuitou in the sum of RMB50,000,000 under the Sanya Luhuitou Agreement
“Second Shanghai Renhe Ocean Agreement”	the finance lease agreement dated 25 August 2015 between Shanghai Yongsheng and Shanghai Renhe Ocean in respect of the Second Shanghai Renhe Ocean Loan
“Second Shanghai Renhe Ocean Loan”	a loan advanced by Shanghai Yongsheng to Shanghai Renhe Ocean in the sum of RMB5,000,000 under the Second Shanghai Renhe Ocean Agreement by way of a finance lease arrangement
“Second Shanghai Wealth Agreement”	the loan agreement dated 17 September 2015 between Shanghai Yongsheng and Shanghai Wealth in respect of the Second Shanghai Wealth Loan
“Second Shanghai Wealth Loan”	a loan advanced by Shanghai Yongsheng to Shanghai Wealth in the sum of RMB250,000,000 under the Second Shanghai Wealth Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“SGM”	the special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, the Connected Transaction Agreements, the Major Transaction Agreements, and the transactions respectively contemplated thereunder
“Shanghai Renhe Investment”	上海人和投資管理有限公司 (Shanghai Renhe Investment Management Company Limited*), a company established in the PRC
“Shanghai Renhe Investment Agreement”	the loan agreement dated 6 September 2015 between Shanghai Yongsheng and Shanghai Renhe Investment in respect of the Shanghai Renhe Investment Loan

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## DEFINITIONS

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“Shanghai Renhe Investment Loan”	a loan advanced by Shanghai Yongsheng to Shanghai Renhe Investment in the sum of RMB350,000,000 under the Shanghai Renhe Investment Agreement
“Shanghai Renhe Ocean”	上海人和海洋資源投資有限公司 (Shanghai Renhe Ocean Resources Investment Company Limited*), a company established in the PRC
“Shanghai Renhe Ocean Agreements”	the First Shanghai Renhe Ocean Agreement and the Second Shanghai Renhe Ocean Agreement
“Shanghai Renhe Ocean Loans”	the First Shanghai Renhe Ocean Loan and the Second Shanghai Renhe Ocean Loan
“Shanghai Shihao”	上海世灝商貿發展有限公司 (Shanghai Shihao Commercial Development Company Limited*), a company established in the PRC
“Shanghai Shihao Agreement”	the loan agreement dated 10 September 2015 between Shanghai Yongsheng and Shanghai Shihao in respect of the Shanghai Shihao Loan
“Shanghai Shihao Loan”	a loan advanced by Shanghai Yongsheng to Shanghai Shihao in the sum of RMB220,000,000 under the Shanghai Shihao Agreement
“Shanghai Wealth”	上海財富天地經濟發展有限公司 (Shanghai Wealth Economic Development Company Limited*), a company established in the PRC
“Shanghai Wealth Agreements”	the First Shanghai Wealth Agreement and the Second Shanghai Wealth Agreement
“Shanghai Wealth Loans”	the First Shanghai Wealth Loan and the Second Shanghai Wealth Loan
“Shanghai Yongsheng”	上海永盛融資租賃有限公司 (Shanghai Yongsheng Capital Lease Company Limited*), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

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## DEFINITIONS

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“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	the supplemental agreements entered into by Shanghai Yongsheng with Shanghai Wealth, Shanghai Renhe Investment, Shanghai Renhe Ocean and Shanghai Shihao in April 2016
“Zhenjiang Wenhua”	浙江文華控股有限公司 (Zhejiang Wenhua Holding Co., Ltd.*), a company established in the PRC
“Zhenjiang Wenhua Agreement”	the loan agreement dated 21 August 2015 between Shanghai Yongsheng and Zhejiang Wenhua in respect of the Zhejiang Wenhua Loan
“Zhenjiang Wenhua Loan”	a loan advanced by Shanghai Yongsheng to Zhejiang Wenhua in the sum of RMB30,000,000 under the Zhejiang Wenhua Agreement
“%”	per cent

\* *for identification purposes only*



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## LETTER FROM THE BOARD

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GOOD RESOURCES

### Good Resources Holdings Limited

天成國際集團控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 109)

*Executive Directors:*

Mr. Sonny Wu (Chairman)  
Mr. Lu Sheng

*Non-executive Directors:*

Mr. Liu Hai  
Mr. Chen Chuanjin  
Mr. Lo Wan Sing, Vincent

*Independent non-executive Directors:*

Mr. Ford Fraker  
Mr. Chau On Ta Yuen  
Mr. Francisco Sánchez  
Ms. Kwan Shan

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of business  
in Hong Kong:*

38th Floor,  
Bank of China Tower,  
No. 1 Garden Road,  
Hong Kong

29 April 2016

*To the Shareholders*

Dear Sir or Madam,

**(1) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO  
FINANCE LEASE AGREEMENTS AND  
(2) MAJOR TRANSACTIONS AND MAJOR AND CONNECTED  
TRANSACTIONS IN RELATION TO LOAN AGREEMENTS**

**A. INTRODUCTION**

Reference is made to the Announcement.

\* for identification purposes only

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## LETTER FROM THE BOARD

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The purpose of this circular is to:-

- (a) provide you with further details of the Connected Transaction Agreements, the Major Transaction Agreements, and the transactions respectively contemplated thereunder;
- (b) include the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and the recommendation of the Independent Board Committee, in respect of the Connected Transaction Agreements; and
- (c) give you notice of the SGM.

### **B. THE FINANCE LEASE AGREEMENTS**

Reference is made to the announcement published by the Company on 9 November 2015 (and the circular published by the Company on 31 December 2015) in relation to, amongst others, the Previous Finance Lease Transactions.

#### **The First Shanghai Renhe Ocean Agreement**

**Date:** 15 July 2015

**Parties:** Shanghai Yongsheng, as the lender

Shanghai Renhe Ocean, as the borrower

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Renhe Ocean is Ms. Zheng Yan, who is an associate of Mr. Cheng, the controlling shareholder of the Company. Ms. Zheng Yan is thus a connected person of the Company

**Principal amount:** RMB5,000,000

The advancement of the First Shanghai Renhe Ocean Loan was satisfied by internal resources of the Group

**Term:** 36 months, effective from 1 August 2015

**Interest:** 10% per annum, payable yearly

The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the First Shanghai Renhe Ocean Loan

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## LETTER FROM THE BOARD

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**Security:** Certain marine products owned by Shanghai Renhe Ocean as detailed in the First Shanghai Renhe Ocean Agreement. The value of the security was determined by Shanghai Yongsheng based on the then market price of the same species of marine products, taking into account of the size and condition of the marine products in question.

**Outstanding principal:** As at the Latest Practicable Date, the principal of the First Shanghai Renhe Ocean Loan which remains outstanding is RMB5,000,000

### **The Second Shanghai Renhe Ocean Agreement**

**Date:** 25 August 2015

**Parties:** Shanghai Yongsheng, as the lender

Shanghai Renhe Ocean, as the borrower

**Principal amount:** RMB5,000,000

The advancement of the Second Shanghai Renhe Ocean Loan was satisfied by internal resources of the Group

**Term:** 36 months, effective from 1 September 2015

**Interest:** 10% per annum, payable yearly

The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the Second Shanghai Renhe Ocean Loan

**Security:** Certain marine products owned by Shanghai Renhe Ocean as detailed in the Second Shanghai Renhe Ocean Agreement. The value of the security was determined by Shanghai Yongsheng based on the then market price of the same species of marine products, taking into account of the size and condition of the marine products in question.

**Outstanding principal:** As at the Latest Practicable Date, the principal of the Second Shanghai Renhe Ocean Loan which remains outstanding is RMB5,000,000

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## LETTER FROM THE BOARD

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### C. THE LOAN AGREEMENTS AND THE PREVIOUS ZHEJIANG WENHUA LOAN

The following loan agreements were entered into by Shanghai Yongsheng:

#### The Previous Zhejiang Wenhua Agreement

**Date:** 18 June 2015

**Parties:** Shanghai Yongsheng, as the lender  
Zhejiang Wenhua, as the borrower

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Zhejiang Wenhua and its ultimate beneficial owners are not connected persons of the Company.

**Amount of the** RMB30,000,000

**Previous Zhejiang  
Wenhua Loan:**

The advancement of the Previous Zhejiang Wenhua Loan was satisfied by the internal resources of the Group.

**Term:** 6 months, effective from 1 July 2015

**Interest:** 15% per annum, payable quarterly

The interest rate of 15% per annum was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the Previous Zhejiang Wenhua Loan.

**Security for the  
Previous Zhejiang  
Wenhua Loan**

Certain assets owned by Zhejiang Wenhua as detailed in the Previous Zhejiang Wenhua Agreement valued at RMB43,430,000 (the "Zhejiang Wenhua Assets") being the subject of the finance lease arrangement. The Zhejiang Wenhua Assets mainly comprise construction and earth moving equipment.

**Outstanding balance:** As of 9 November 2015, all outstanding balance of the Previous Zhejiang Wenhua Loan has been fully repaid.

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## LETTER FROM THE BOARD

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### The Zhejiang Wenhua Agreement

**Date:** 21 August 2015

**Parties:** Shanghai Yongsheng, as the lender

Zhejiang Wenhua, as the borrower

**Principal amount:** RMB30,000,000

The advancement of the Zhejiang Wenhua Loan was satisfied by internal resources of the Group

**Term:** Seven months, effective from 24 August 2015

**Interest:** 13% per annum, payable by two instalments where the first instalment was paid on 18 December 2015 and the second instalment will be payable upon the end of the term

The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the Zhejiang Wenhua Loan

**Security:** Certain real estate properties owned by Zhejiang Wenhua, certain real estate properties owned by Mr. Zhou Zhijie, the substantial shareholder of Zhejiang Wenhua, certain real estate properties owned by a third party corporation Purple Crystal Properties Company Limited\* (紫晶置業有限公司), certain real estate properties owned by a third party corporation Hangzhou Purple Crystal Real Estate Development Company Limited\* (杭州紫晶房地產開發有限公司) and certain real estate properties owned by a third party corporation Shanghai Wensheng Investment Management Company Limited\* (上海文盛投資管理有限公司) as detailed in the Zhejiang Wenhua Agreement

**Outstanding principal:** As at the Latest Practicable Date, the principal of the Zhejiang Wenhua Loan which remains outstanding is RMB30,000,000

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## LETTER FROM THE BOARD

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### The Sanya Luhuitou Agreement

**Date:** 25 August 2015

**Parties:** Shanghai Yongsheng, as the lender

Sanya Luhuitou, as the borrower

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Sanya Luhuitou and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company

**Principal amount:** RMB50,000,000

The advancement of the Sanya Luhuitou Loan was satisfied by internal resources of the Group

**Term:** Nine months, effective from 25 August 2015

**Interest:** 15% per annum, payable upon the end of the term

The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the Sanya Luhuitou Loan

**Security:** The Sanya Luhuitou Loan is unsecured

**Outstanding principal:** As at the Latest Practicable Date, the principal of the Sanya Luhuitou Loan which remains outstanding is RMB50,000,000

### The Liyang Qingfeng Agreement

**Date:** 26 August 2015

**Parties:** Shanghai Yongsheng, as the lender

Liyang Qingfeng, as the borrower

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Liyang Qingfeng and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company

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## LETTER FROM THE BOARD

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**Principal amount:** RMB100,000,000

The advancement of the Liyang Qingfeng Loan was satisfied by internal resources of the Group

**Term:** 10 months, effective from 26 August 2015

**Interest:** 15% per annum, payable upon the end of the term

The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the Liyang Qingfeng Loan

**Security:** The Liyang Qingfeng Loan is unsecured

**Outstanding principal:** As at the Latest Practicable Date, the principal of the Liyang Qingfeng Loan which remains outstanding is RMB100,000,000

### **The Shanghai Shihao Agreement**

**Date:** 10 September 2015

**Parties:** Shanghai Yongsheng, as the lender

Shanghai Shihao, as the borrower

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, Shanghai Shihao and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company

**Principal amount:** RMB220,000,000

The advancement of the Shanghai Shihao Loan was satisfied by internal resources of the Group

**Term:** 12 months, effective from 7 September 2015

**Interest:** 10% per annum, payable upon the end of the term

The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the Shanghai Shihao Loan

**Security:** The Shanghai Shihao Loan is unsecured

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## LETTER FROM THE BOARD

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**Outstanding principal:** As at the Latest Practicable Date, the principal of the Shanghai Shihao Loan which remains outstanding is RMB213,000,000

### **The First Shanghai Wealth Agreement**

**Date:** 16 July 2015

**Parties:** Shanghai Yongsheng, as the lender

Shanghai Wealth, as the borrower

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Wealth is Ms. Zheng Yan, who is a connected person of the Company

**Principal amount:** RMB24,000,000

The advancement of the First Shanghai Wealth Loan was satisfied by internal resources of the Group

**Term:** 12 months, effective from 16 July 2015

**Interest:** 10% per annum, payable upon the end of the term

The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the First Shanghai Wealth Loan

**Security:** The First Shanghai Wealth Loan is secured by certain real estate properties owned by Shanghai Wealth (the "Shanghai Wealth Properties")

**Outstanding principal:** As at the Latest Practicable Date, the principal of the First Shanghai Wealth Loan which remains outstanding is RMB24,000,000

### **The Second Shanghai Wealth Agreement**

**Date:** 17 September 2015

**Parties:** Shanghai Yongsheng, as the lender

Shanghai Wealth, as the borrower



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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Wealth is Ms. Zheng Yan, who is a connected person of the Company

**Principal amount:** RMB250,000,000

The advancement of the Second Shanghai Wealth Loan was satisfied by internal resources of the Group

**Term:** 12 months, effective from 17 September 2015

**Interest:** 10% per annum, payable upon the end of the term

The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the Second Shanghai Wealth Loan

**Security:** The Second Shanghai Wealth Loan is secured by the Shanghai Wealth Properties

**Outstanding principal:** As at the Latest Practicable Date, the principal of the Second Shanghai Wealth Loan which remains outstanding is RMB250,000,000

### **The Shanghai Renhe Investment Agreement**

**Date:** 6 September 2015

**Parties:** Shanghai Yongsheng, as the lender

Shanghai Renhe Investment, as the borrower

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the ultimate beneficial owner of Shanghai Renhe Investment is Ms. Zheng Yan, who is a connected person of the Company

**Principal amount:** RMB350,000,000

The advancement of the Shanghai Renhe Investment Loan was satisfied by internal resources of the Group

**Term:** 12 months, effective from 7 September 2015

**Interest:** 10% per annum, payable upon the end of the term

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## LETTER FROM THE BOARD

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The interest was determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amount and terms of the Shanghai Renhe Investment Loan

**Security:** The Shanghai Renhe Investment Loan is unsecured

**Outstanding principal:** As at the Latest Practicable Date, the principal of the Shanghai Renhe Investment Loan which remains outstanding is RMB350,000,000

### **Determination of prevailing market rate**

When determining the prevailing market rate, Shanghai Yongsheng considered (i) the benchmark interest rates published by the People's Bank of China; (ii) the business and financial performance information of the relevant borrower obtained through business deal diligence works performed by in-house staff; (iii) the loan size; and (iv) the loan period.

### **D. SUPPLEMENTAL AGREEMENTS**

In April 2016, Shanghai Yongsheng has entered into the Supplemental Agreements with Shanghai Wealth, Shanghai Renhe Investment, Shanghai Renhe Ocean and Shanghai Shihao, pursuant to each of the Supplemental Agreements, which provide that, if the Major Transaction Agreements and Connected Transaction Agreements are not approved by the Shareholders at the SGM, they will repay the relevant Loan(s) within two months of the SGM.

### **E. REASONS FOR AND BENEFITS OF THE ADVANCEMENTS OF LOANS**

Shanghai Yongsheng's principal activities involve the provision of financial leasing and commercial factoring and it is situated in the Shanghai Free Trade Zone. The advancement of the Loans and the Previous Zhejiang Wenhua Loan were transactions carried out as part of the ordinary and usual course of business activities of Shanghai Yongsheng and have or will (as appropriate) provide interest income to Shanghai Yongsheng and the Group.

None of the Directors was interested in the Loans, and thus none of them had abstained from voting on the relevant resolution at the board meeting for the purposes of approving the Loans and the transactions respectively contemplated thereunder.

The views and recommendation of the independent non-executive Directors are set out in the "*Letter from the Independent Board Committee*" on pages 24 to 25 of this circular.

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## LETTER FROM THE BOARD

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### F. INFORMATION ON THE COMPANY AND SHANGHAI YONGSHENG

#### **The Company**

The Company is incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. The principal business of the Group is investment holding, and is engaged in the provision of investment and financial services through its subsidiaries, as well as distribution and trading business.

#### **Shanghai Yongsheng**

Shanghai Yongsheng is an indirect wholly-owned subsidiary of the Company established in the Shanghai Free Trade Zone and conducts the business of financial leasing. It was acquired by the Company in May 2015 and operates its business in Shanghai.

### G. INFORMATION ON THE BORROWERS

#### **Shanghai Renhe Ocean**

Shanghai Renhe Ocean is a company incorporated in Shanghai, PRC which is principally engaged in the investment of marine resources, industrial investment, investment management and asset management.

#### **Zhejiang Wenhua**

Zhejiang Wenhua is a company established in Hangzhou, Zhejiang Province, PRC which is principally engaged in the businesses in relation to industrial investment, real estate investment, assets management, investment management and consulting services, software development and computer system integration.

#### **Sanya Luhuitou**

Sanya Luhuitou is a company incorporated in Sanya, Hainan Province, PRC which is principally engaged in the businesses in relation to the development of residential properties and hotels.

#### **Liyang Qingfeng**

Liyang Qingfeng is a company incorporated in Liyang, Jiangsu Province, PRC which is principally engaged in the businesses in relation to the development of solar photovoltaic products, components, wafers, cells and related raw materials, research and development and sales of parts, provision of solar technology consulting services, distribution of chemical raw materials (except for dangerous chemicals), building materials and metal materials.

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## LETTER FROM THE BOARD

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### **Shanghai Shihao**

Shanghai Shihao is a company incorporated in Shanghai, PRC which is principally engaged in the businesses in relation to decorative materials, machinery equipment and accessories, electrical hardware, wooden products, chemical raw materials and products (excluding dangerous goods), general merchandise sales, investment management and corporate management consulting.

### **Shanghai Wealth**

Shanghai Wealth is a company established in Shanghai, PRC which is principally engaged in the businesses in relation to real estate development and operation, corporate management consulting, industrial investment, automobile exhibition, automobile parts installation, property management and leasing of industrial plants and warehouses.

### **Shanghai Renhe Investment**

Shanghai Renhe Investment is a company incorporated in Shanghai, PRC which is principally engaged in the businesses in relation to project investment, industrial investment, investment entrusted management and operation, financial trust and consulting, economic information consulting, corporate image planning, business services, hotels, restaurants and golf industry entrusted management, consulting and planning, property management, technology development, consulting, transfer and technical services in relation to the field of computer technology.

## **H. FINANCIAL EFFECTS ON THE GROUP**

### **Assets and liabilities**

Based on the latest published unaudited interim financial statements of the Group as at 31 December 2015, the item “loans receivable” under the assets of Group was RMB1,287,924,000 which was mainly attributed by the advancements of the Loans, whereas the Group’s cash and/or listed securities held was RMB170,416,000. The Loans had no impact on the liabilities of the Group.

### **Earnings**

As at the Latest Practicable Date, the outstanding balance of the Loans is RMB1,027,000,000. Based on the latest published unaudited interim financial statements of the Group as at 31 December 2015, the interest income generated by the advancement of the Loans amount to RMB57,021,000. The interest payable under the Loans are payable on a semi-annual basis, or an annual basis or at the end of the term of the relevant Loan, as more particularly detailed in “B. The Finance Lease Agreements” and “C. The Loan Agreements” in this circular above, and the Group is expected to continue to generate interest income on the outstanding balance until each of these Loans is fully repaid.

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## LETTER FROM THE BOARD

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### I. IMPLICATIONS UNDER THE LISTING RULES

#### **The Connected Transaction Agreements**

As the ultimate beneficial owner of each of Shanghai Renhe Ocean, Shanghai Wealth and Shanghai Renhe Investment is Ms. Zheng Yan, who is an associate of Mr. Cheng, the controlling shareholder of the Company, each of the Connected Transaction Agreements constitutes a connected transaction for the Company.

Pursuant to Rules 14.22 and Rule 14A.81 of the Listing Rules, the Connected Transaction Agreements, together with the Previous Shanghai Wealth Agreement, will be aggregated as a single series of transaction as these transactions involve the advancement of loans to the same parties which are connected with one another within a 12-month period.

As the relevant percentage ratios in respect of (i) the Connected Transaction Loans and (ii) the Previous Shanghai Wealth Loan, on an aggregated basis, exceed 25%, the advancement of each of the Connected Transaction Loans constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as each of Connected Transaction Agreements constitutes a connected transaction for the Company, each of them is subject to the reporting, announcement and Independent Shareholders' approval requirement in accordance with the requirements under Chapter 14A of the Listing Rules.

#### **The Major Transaction Agreements**

##### ***The Zhejiang Wenhua Agreement***

Pursuant to Rule 14.22 of the Listing Rules, the Zhejiang Wenhua Agreement and the Previous Zhejiang Wenhua Agreement will be aggregated as a single series of transaction as these transactions involve the advancement of loans to Zhejiang Wenhua within a 12-month period.

As the relevant percentage ratios in respect of the Zhejiang Wenhua Agreement and the Previous Zhejiang Wenhua Agreement, on an aggregated basis, exceed 25%, the advancement of the Zhejiang Wenhua Loan constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

##### ***The Sanya Luhuitou Agreement, the Liyang Qingfeng Agreement and the Shanghai Shihao Agreement***

As the relevant percentage ratios in respect of each of the Sanya Luhuitou Loan, the Liyang Qingfeng Loan and the Shanghai Shihao Loan exceed 25%, the advancement of each of the Sanya Luhuitou Loan, the Liyang Qingfeng Loan and the Shanghai Shihao Loan constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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On or around the time when the Company was preparing the announcement published by the Company on 9 November 2015, the Company had instructed Shanghai Yongsheng to provide details of all the loans and finance leases that it had entered into between 1 July 2015 and 18 October 2015, to allow the Company to consider whether any of such loans or finance leases fell within the category of notifiable transactions which had not yet been disclosed in accordance with the relevant Listing Rules.

Unfortunately, particulars of the Loans were not provided to the Company by Shanghai Yongsheng until 16 December 2015, with the underlying finance leases or loan documentation in relation to the Loans not being furnished to the Company until a month following such date. The Loans and their underlying implications were discovered by the Company upon such further scrutiny of documentation. The Company, after discovering the incident, has taken the following remedial actions:

1. has notified the Board of this inadvertent failure;
2. has requested Shanghai Yongsheng to provide all its bank statements since the completion of the Acquisition, for better countercheck of cash flow and to ensure compliance of disclosure requirement;
3. has engaged PricewaterhouseCoopers Ltd. (“**PwC**”) to perform agreed-upon procedures (the “**Agreed-upon Procedures**”) in accordance with Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) in relation to the loans and finance leases granted by Shanghai Yongsheng from 18 May 2015, the completion date of the Acquisition, to 29 February 2016, as set out in the schedule (the “**Schedule**”) prepared by the Company. The Company’s directors are solely responsible for the sufficiency and appropriateness of the Agreed-upon Procedures. Having performed the Agreed-upon Procedures, PwC has reported their factual findings to the Board of the Directors of the Company in its report dated 19 April 2016. Because the Agreed-upon Procedures did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, PwC has indicated in its report that they did not express any assurance on the loans and finance leases information contained in the Schedule.

Taking into account the factual findings from PwC, the Company concluded that all loans and finance leases that were granted by Shanghai Yongsheng from 18 May 2015 to 29 February 2016 were disclosed by the Company in the Announcement and the announcement dated 9 November 2015.

4. has implemented the following internal compliance measures:
  - a. adopting the control manual and the revised control manual devised by Zhonghui Anda Risk Services Limited (“**Zhonghui Anda**”) as the internal control measures of Shanghai Yongsheng since 5 February 2016;

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## LETTER FROM THE BOARD

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- b. engaging Zhonghui Anda to provide training to the management team of Shanghai Yongsheng in relation to compliance of Chapters 13, 14 and 14A of the Listing Rules since 26 January 2016; and
- c. approving the appointment of the following persons to the following positions on 15 February 2016:
  - (i) Mr. Lu Sheng, its Director, as the director of Shanghai Yongsheng;
  - (ii) Ms. Kwan Shan, its Director, as the director of Shanghai Yongsheng;
  - (iii) Mr. Chen Chuanjin, its Director, as the director and authorized representative of Shanghai Yongsheng; and
  - (iv) Ms. Chengshu Ha, the financial director of the Company, as the chief financial officer of Shanghai Yongsheng

As at the Latest Practicable Date, the change of directors and authorized representative of Shanghai Yongsheng is being approved by the relevant authorities of the PRC.

In the event that the Independent Shareholders or the Shareholders do not approve the Loans which had outstanding balance as at the Latest Practicable Date, the Company would be regarded as not having obtained the relevant shareholder's approval prior to the disbursement of the relevant Loan(s). In this event:

1. Shanghai Yongsheng will, based on the Supplemental Agreements, request that Shanghai Wealth, Shanghai Renhe Investment, Shanghai Renhe Ocean and Shanghai Shihao repay the relevant Loans within two months of the SGM; and
2. if Shanghai Yongsheng has not been able to enter into supplemental agreements with Sanya Luhuitou and Liyang Qingfeng for the repayment of the relevant Loans by them within two months of the SGM if Sanya Luhuitou Agreement or the Liyang Qingfeng Agreement (as appropriate) is not approved by the shareholders at the SGM by the time of the SGM, Shanghai Yongsheng will take steps to terminate those relevant agreements and seek the immediate repayment of the balance outstanding from the relevant borrowers. Prior to the termination of the Major Transaction Agreements, Shanghai Yongsheng will negotiate in good faith with these borrowers with a view to seeking the repayment of the outstanding principal amount of the Loans together with the accrued interest as at the date of repayment. In the event that steps are taken by Shanghai Yongsheng to terminate a Major Transaction Agreement, depending on the outcome of the negotiation with the relevant borrowers, Shanghai Yongsheng may or may not be able to receive the outstanding interest from the relevant borrowers.

The Company will keep its shareholders and the public informed of any further developments in connection with the above, by way of further announcement(s) as and when appropriate.

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## LETTER FROM THE BOARD

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### **J. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established to advise the Independent Shareholders and the Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders, in respect of the Connected Transaction Agreements and the transactions contemplated thereunder. None of the members of the Independent Board Committee have any material interest in the Connected Transaction Agreements and the transactions contemplated thereunder.

### **K. SGM**

The SGM will be convened at which resolutions will be proposed to seek approval for the Connected Transaction Agreements, the Major Transaction Agreements, and the transactions respectively contemplated thereunder.

As at the Latest Practicable Date, Mr. Cheng and his associates were interested in 2,341,100,000 Shares, representing approximately 32.49% of the issued share capital of the Company. As Mr. Cheng and his associates are interested in the Connected Transaction Agreements, Mr. Cheng and his associates will abstain from voting at the SGM in respect of the relevant resolutions to approve the Connected Transaction Agreements and the transactions contemplated thereunder. Save as disclosed, to the best of the Directors' information, belief and knowledge, no other Shareholder is required to abstain from voting at the SGM on the relevant resolutions approving the Connected Transaction Agreements and the transactions contemplated thereunder.

A notice convening the SGM is set out on pages 54 to 57 of this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

The resolutions to approve the Connected Transaction Agreements, the Major Transaction Agreements and the transactions respectively contemplated thereunder at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

### **L. RECOMMENDATION**

The Directors consider that the terms of each of the Major Transaction Agreements are fair and reasonable and in the interests of the Shareholders as a whole, and the Directors (excluding the independent non-executive Directors, whose views are set out in "*Letter from the Independent Board Committee*" on pages 24 to 25 of this circular) consider that the terms of the Connected Transaction Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, having considered (1) the current market norm in relation to similar transactions; (2) the costs of providing the Loans; and (3) the interest income to be generated by the Loans.



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## LETTER FROM THE BOARD

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Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 24 to 25 of this circular which contains the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Connected Transaction Agreements and the transactions contemplated thereunder; and (ii) the letter from the Independent Financial Adviser set out on pages 26 to 45 of this circular which contains the recommendations from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Connected Transaction Agreements and the transactions contemplated thereunder and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its recommendation.

The Directors (including the independent non-executive Directors) consider that the Connected Transaction Agreements and the transactions contemplated thereunder were in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Connected Transaction Agreements and the transactions contemplated thereunder.

### **M. FURTHER INFORMATION**

Your attention is also drawn to the additional information set out in the appendices to this circular and the notice of the SGM.

Yours faithfully,  
By order of the board of directors of  
**Good Resources Holdings Limited**  
**Sonny Wu**  
*Chairman*



GOOD RESOURCES

**Good Resources Holdings Limited**

**天成國際集團控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 109)**

29 April 2016

*To the Independent Shareholders*

Dear Sir or Madam,

**(1) MAJOR AND CONNECTED TRANSACTIONS IN RELATION TO  
FINANCE LEASE AGREEMENTS AND  
(2) MAJOR TRANSACTIONS AND MAJOR AND CONNECTED  
TRANSACTIONS IN RELATION TO LOAN AGREEMENTS**

We have been appointed as the Independent Board Committee to advise you in connection with the Connected Transaction Agreements and the transactions contemplated thereunder, details of which are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 29 April 2016 (the “Circular”), of which this letter forms part. We wish to draw your attention to the letter from the Independent Financial Adviser as set out on pages 26 to 45 of the Circular. Terms defined in the Circular shall have the same meanings when used herein, unless the context otherwise requires.

Having considered the information set out in the letter from the Board, the terms of the Connected Transaction Agreements and the transactions contemplated thereunder and the advice of the Independent Financial Adviser in relation thereto as set out on pages 26 to 45 of the Circular, we are of the view that the Connected Transaction Agreements and the transactions contemplated thereunder were in the interests of the Company and the Shareholders as a whole, and were on normal commercial terms and in the ordinary and usual course of business of the Group and were fair and reasonable so far as the Independent Shareholders are concerned.

\* *for identification purposes only*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the SGM to approve and ratify, if thought fit, the Connected Transaction Agreements and the transactions contemplated thereunder.

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

**Mr. Ford Fraker**  
*Chairman of the  
Independent Board Committee,  
Independent Non-executive Director*

**Mr. Chau On Ta Yuen**  
*Independent Non-executive Director*

**Mr. Francisco Sánchez**  
*Independent Non-executive Director*

**Ms. Kwan Shan**  
*Independent Non-executive Director*



29 April 2016

*The Independent Board Committee and the Independent Shareholders  
Good Resources Holdings Limited*

Dear Sirs,

**(1) MAJOR AND CONNECTED TRANSACTIONS  
IN RELATION TO FINANCE LEASE AGREEMENTS  
AND  
(2) MAJOR AND CONNECTED TRANSACTIONS  
IN RELATION TO LOAN AGREEMENTS**

**INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Connected Transaction Agreements. Details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of Good Resources Holdings Limited (the “**Company**”) dated 29 April 2016 issued to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

**The Shanghai Renhe Ocean Agreements**

Shanghai Yongsheng entered into the First Shanghai Renhe Ocean Agreement and Second Shanghai Renhe Ocean Agreement with Shanghai Renhe Ocean on 15 July 2015 and 25 August 2015 respectively, pursuant to which Shanghai Yongsheng agreed to advance each of the First Shanghai Renhe Ocean Agreement and Second Shanghai Renhe Ocean Agreement of a loan in the sum of RMB5,000,000 for a term of 36 months under a finance lease arrangement of certain assets owned by Shanghai Renhe Ocean.

**The Shanghai Wealth Agreements**

In addition, on 16 July 2015, Shanghai Yongsheng entered into the First Shanghai Wealth Agreement with Shanghai Wealth, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Wealth in the sum of RMB24,000,000 for a term of 12 months. On 17 September 2015, Shanghai Yongsheng further entered into the Second Shanghai Wealth Agreement with Shanghai Wealth, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Wealth in the sum of RMB250,000,000 for a term of 12 months.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **The Shanghai Renhe Investment Agreement**

On 6 September 2015, Shanghai Yongsheng entered into the Shanghai Renhe Investment Agreement with Shanghai Renhe Investment, pursuant to which Shanghai Yongsheng agreed to advance a loan to Shanghai Renhe Investment in the sum of RMB350,000,000 for a term of 12 months.

As the relevant percentage ratios in respect of (i) the Connected Transaction Loans and (ii) the Previous Shanghai Wealth Loan, on an aggregated basis, exceed 25%, the advancement of each of the Connected Transaction Loans constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as the ultimate beneficial owner of each of Shanghai Renhe Ocean, Shanghai Wealth and Shanghai Renhe Investment is Ms. Zheng Yan, who is an associate of Mr. Cheng, the controlling shareholder of the Company, each of the Connected Transaction Agreements constitutes a connected transaction for the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirement in accordance with the requirements of the Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Ford Fraker, Mr. Chau On Ta Yuen, Mr. Francisco Sánchez and Ms. Kwan Shan (all being independent non-executive Directors) has been established to advise the Independent Shareholders in relation to whether the Connected Transaction Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and how to vote on the relevant resolutions at the SGM. As the Independent Financial Adviser, our role is to give an independent opinion and recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

As set out in the Letter from the Board, the Board discovered that the Company had not disclosed the Loans, including the Connected Transaction Loans, in accordance with the relevant Listing Rules at the time when such agreements were entered into. The Company, after discovering the incident, has taken the remedial actions, details of which are set out in the Letter from the Board.

Furthermore, as set out in the Letter from the Board, Shanghai Yongsheng has entered into the Supplemental Agreements with Shanghai Wealth, Shanghai Renhe Investment and Shanghai Renhe Ocean in April 2016, pursuant to each of the Supplemental Agreements, which provide that, if the Connected Transaction Agreements are not approved by the Shareholders at the SGM, they will repay the relevant Loan(s) within two months of the SGM.

As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of us. In the last two years, we have acted as an independent financial adviser to the then independent board committee and independent shareholders of the Company in relation to an occasion as detailed in the circular of the Company dated 31 December 2015. Given (i) our independent role in the abovementioned engagement; and (ii) our fees for the abovementioned engagement represented an insignificant percentage of our revenue, we consider that the abovementioned engagement would not affect our independence to form our opinion in respect of the Connected Transaction Agreements.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **BASIS OF OUR OPINION**

In formulating our recommendation, we have considered and reviewed, among other things, (i) the Circular; (ii) the Connected Transaction Agreements; (iii) the annual report of the Company for the year ended 30 June 2015 (the “**2015 Annual Report**”) and the interim report of the Company for the six months ended 31 December 2015 (the “**2015/16 Interim Report**”). We have also relied on all relevant information, opinions and facts supplied and represented by the Company, the Directors and the management of the Company.

We have assumed that all such information, opinions, facts and representations contained or referred to in the Circular, for which the Company is fully responsible, were true and accurate in all respects as at the date hereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, and the Company has confirmed that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out independent verification of the information, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of each of the Group, Shanghai Renhe Ocean, Shanghai Wealth and Shanghai Renhe Investment, and any of their respective subsidiaries and/or their associates.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinions in respect of the Connected Transaction Agreements, we have considered the following principal factors and reasons:

#### **(i) Background and reasons for the Connected Transaction Agreements**

##### *(a) Information of the Group*

As set out in the Letter from the Board, the Company is incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange. Shanghai Yongsheng is an indirect wholly-owned subsidiary of the Company established in the Shanghai Free Trade Zone and conducts the business of financial leasing. It was acquired by the Company in May 2015 and operates its business in Shanghai.

The principal business of the Group is investment holding, and is engaged in the provision of investment and financial services through its subsidiaries.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The tables below show certain financial information of the Group for the two years ended 30 June 2015 (“FY2014” and “FY2015”, respectively) and the six months ended 31 December 2014 and 31 December 2015, as extracted from the 2015 Annual Report and the 2015/16 Interim Report:

	For the year ended 30 June				For the six months ended 31 December			
	2014		2015		2014		2015	
	(HK\$'000)		(HK\$'000)		(HK\$'000)		(HK\$'000)	
	(audited)	%	(audited)	%	(unaudited)	%	(unaudited)	%
Loan interest income	39,657	97.36%	51,138	99.90%	24,000	99.94%	70,570	99.74%
Dividend income from investments held for trading	1,075	2.64%	52	0.10%	14	0.06%	185	0.26%
Turnover	<u>40,732</u>	100%	<u>51,190</u>	100%	<u>24,014</u>	100%	<u>70,755</u>	100%
Net profit	19,924		13,167		6,002		6,118	

	As at 30 June		As at
	2014	2015	31 December
	(HK\$'000)		2015
	(audited)	(audited)	(unaudited)
Bank balances and cash	97,939	687,883	467,680
Net assets	400,935	2,512,426	2,778,978

*Source: 2015 Annual Report and 2015/16 Interim Report*

We noted from the table above that the revenue of the Group was mainly contributed by loan interest, which accounted approximately 97.36%, 99.90%, 99.94% and 99.74% for FY2014, FY2015 and the six months ended 31 December 2014 and 2015 respectively. Revenue of the Group increased by approximately 25.68% from approximately HK\$40.73 million for FY2014 to approximately HK\$51.19 million for FY2015. Revenue of the Group increased substantially by 194.64% from approximately HK\$24.01 million for the six months ended 31 December 2014 to approximately HK\$70.76 million for the six months ended 31 December 2015. As stated in the 2015 Annual Report and 2015/16 Interim Report, such increases for the year ended 30 June 2015 and six months ended 31 December 2015 were primarily caused by the increase in turnover related to business activities in investment and financial services receiving interest income. Net profit decreased by approximately 33.91% from approximately HK\$19.92 million for FY2014 to

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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approximately HK\$13.17 million for FY2015. As stated in 2015 Annual Report, the decrease in net profit was mainly due to the interest expense on convertible notes newly issued during FY2015 and the net losses on investments held for trading and foreign exchange. The Group recorded a minority increase in the net profit by 1.94% from approximately HK\$6.00 million for the six months ended 31 December 2014 to approximately HK\$6.12 million for the six months ended 31 December 2015.

As at 30 June 2015, the net assets of the Group were approximately HK\$2,512.43 million, representing an increase of approximately 526.7% as compared to the approximately HK\$400.94 million as at 30 June 2014 and further increased to HK\$2,778.98 million as at 31 December 2015. The increase in net assets of the Group was mainly due to the placing and subscription of new shares and convertible bond as stated in the circular dated 12 March 2015.

As at 30 June 2015, the bank balances and cash of the Group was approximately HK\$687.88 million, representing an increase of approximately 602.4% as compared to approximately HK\$97.94 million as at 30 June 2014. As stated in 2015 Annual Report, the increase in bank balances and cash of the Group was mainly due to the net proceeds from the placing and subscription of new shares and convertible bonds net with the advancement of loans during FY2015. The bank balances and cash of the Group was decreased to approximately HK\$467.68 million as at 31 December 2015. As advised by the Company, such decrease in bank balances and cash was mainly due to the subscription of a convertible promissory note as stated in the announcement dated 6 August 2015 and the advancement of the Loans.

*(b) Information of Shanghai Renhe Ocean*

As set out in the Letter from the Board, Shanghai Renhe Ocean is a company incorporated in Shanghai, PRC which is principally engaged in the investment of marine resources, industrial investment, investment management and asset management.

*(c) Information of Shanghai Wealth*

As set out in the Letter from the Board, Shanghai Wealth is a company established in Shanghai, PRC which is principally engaged in the businesses in relation to real estate development and operation, corporate management consulting, industrial investment, automobile exhibition, automobile parts installation, property management and leasing of industrial plants and warehouses.

*(d) Information of Shanghai Renhe Investment*

As set out in the Letter from the Board, Shanghai Renhe Investment is a company incorporated in Shanghai, PRC which is principally engaged in the businesses in relation to project investment, industrial investment, investment entrusted management and operation, financial trust and consulting, economic information consulting, corporate image planning, business services, hotels, restaurants and golf industry entrusted management, consulting and planning, property management, technology development, consulting, transfer and technical services in relation to the field of computer technology.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(e) *Reasons and benefits for entering into the Connected Transaction Agreements*

As set out in the Letter from the Board, Shanghai Yongsheng's principal activities involve the provision of financial leasing and it is established in the Shanghai Free Trade Zone. As disclosed in the 2015 Annual Report, loan financing had continued to be the core drive for the Group's turnover and their main business during the year. The Group recorded a consolidated turnover of approximately HK\$51.19 million, of which approximately HK\$51.14 million or over 95% were from loan interest income. As such, we consider that the Connected Transaction Agreements are in the ordinary and usual course of business of the Group.

As stated in the circular dated 12 March 2015, the Company has raised capital by the way of placing and subscription of new shares and convertible bonds. According to the said circular, part of the net proceeds will be utilized for strengthening existing financing business, i.e. providing more loans to new and existing customers. Since the completion of the placing and subscription of new shares and convertible bonds in May 2015, the Group has entered into several loan transactions, including the Previous Finance Lease Transactions and the Loans, resulting in substantial increase in loan receivables of the Group as at 31 December 2015. We consider the entering into of the Connected Transaction Agreements is in line with the Group's business strategy.

We have compared the interest rate stated under the Connected Transaction Agreements with the RMB benchmark interest rate for fixed deposit with comparable duration (i.e. one-year and three-year) published by the People's Bank of China (the "PBOC"). According to the website of the PBOC, the one-year and three-year RMB benchmark interest rates for fixed deposit since 11 May 2015 are as below:

Period	RMB benchmark interest rate per annum for fixed deposit	
	One-year	Three-year
Since 11 May 2015	2.25%	3.50%
Since 28 June 2015	2.00%	3.25%
Since 26 August 2015	1.75%	3.00%
Since 24 October 2015	1.50%	2.75%

*Source: Website of the PBOC*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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To compare the Connected Transaction Loans with corresponding RMB benchmark interest rate per annum for fixed deposit, date of agreement, term and annual interest rate of each of the Connected Transaction Agreements are shown as below:

Agreement	Date of agreement	Term	Annual interest rate	Corresponding PBOC deposit interest rate on date of agreement
First Shanghai Renhe Ocean Agreement	15 July 2015	3 years	10%	3.25%
Second Shanghai Renhe Ocean Agreement	25 August 2015	3 years	10%	3.25%
First Shanghai Wealth Agreement	16 July 2015	1 year	10%	2.00%
Second Shanghai Wealth Agreement	17 September 2015	1 year	10%	1.75%
Shanghai Renhe Investment Agreement	6 September 2015	1 year	10%	1.75%

The annual interest rate of each of the Connected Transaction Loans is 10%. As shown in the above table, the annual interest rate of each of the Connected Transaction Loans is higher than the corresponding PBOC interest rate respectively. Accordingly, we are of the view that the advancement of the Connected Transaction Loans could enhance the interest income as compared to fixed deposit.

Having considered the above, we are of the view that the Connected Transaction Agreements are entered in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

### (ii) Principal Terms of the Connected Transaction Agreements

As set out in the Letter from the Board, set out below are the major terms of the Connected Transaction Agreements:

#### *The First Shanghai Renhe Ocean Agreement*

<b>Date:</b>	15 July 2015
<b>Parties:</b>	Shanghai Yongsheng, as the lender Shanghai Renhe Ocean, as the borrower
<b>Principal amount:</b>	RMB5,000,000
<b>Term:</b>	36 months, effective from 1 August 2015
<b>Interest:</b>	10% per annum, payable yearly

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**Security:** Certain marine products owned by Shanghai Renhe Ocean as detailed in the First Shanghai Renhe Ocean Agreement. The value of the security was determined by Shanghai Yongsheng based on the market price of the same species of marine products, taking into account of the size and condition of the marine products in question.

**Outstanding principal:** As at the Latest Practicable Date, the principal of the First Shanghai Renhe Ocean Loan which remains outstanding is RMB5,000,000

*The Second Shanghai Renhe Ocean Agreement*

**Date:** 25 August 2015

**Parties:** Shanghai Yongsheng, as the lender  
Shanghai Renhe Ocean, as the borrower

**Principal amount:** RMB5,000,000

**Term:** 36 months, effective from 1 September 2015

**Interest:** 10% per annum, payable yearly

**Security:** Certain marine products owned by Shanghai Renhe Ocean as detailed in the Second Shanghai Renhe Ocean Agreement. The value of the security was determined by Shanghai Yongsheng based on the market price of the same species of marine products, taking into account of the size and condition of the marine products in question.

**Outstanding principal:** As at the Latest Practicable Date, the principal of the Second Shanghai Renhe Ocean Loan which remains outstanding is RMB5,000,000

*The First Shanghai Wealth Agreement*

**Date:** 16 July 2015

**Parties:** Shanghai Yongsheng, as the lender  
Shanghai Wealth, as the borrower

**Principal amount:** RMB24,000,000

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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**Term:** 12 months, effective from 16 July 2015

**Interest:** 10% per annum, payable upon the end of the term

**Security:** The First Shanghai Wealth Loan is secured by the Shanghai Wealth Properties

**Outstanding principal:** As at the Latest Practicable Date, the principal of the First Shanghai Wealth Loan which remains outstanding is RMB24,000,000

*The Second Shanghai Wealth Agreement*

**Date:** 17 September 2015

**Parties:** Shanghai Yongsheng, as the lender  
Shanghai Wealth, as the borrower

**Principal amount:** RMB250,000,000

**Term:** 12 months, effective from 17 September 2015

**Interest:** 10% per annum, payable upon the end of the term

**Security:** The Second Shanghai Wealth Loan is secured by the Shanghai Wealth Properties

**Outstanding principal:** As at the Latest Practicable Date, the principal of the Second Shanghai Wealth Loan which remains outstanding is RMB250,000,000

*The Shanghai Renhe Investment Agreement*

**Date:** 6 September 2015

**Parties:** Shanghai Yongsheng, as the lender  
Shanghai Renhe Investment, as the borrower

**Principal amount:** RMB350,000,000

**Term:** 12 months, effective from 7 September 2015

**Interest:** 10% per annum, payable upon the end of the term

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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<b>Security:</b>	The Shanghai Renhe Investment Loan is unsecured
<b>Outstanding principal:</b>	As at the Latest Practicable Date, the principal of the Shanghai Renhe Investment Loan which remains outstanding is RMB350,000,000

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the ultimate beneficial owner of Shanghai Renhe Ocean, Shanghai Wealth and Shanghai Renhe Investment is Ms. Zheng Yan, who is an associate of Mr. Cheng, the controlling shareholder of the Company. Therefore, Ms. Zheng Yan is a connected person of the Company. The advancements of the Connected Transaction Loans were satisfied by internal resources of the Group. The interests of Connected Transaction Loans were determined after arms' length negotiation between the parties taking into account, among other things, the prevailing market rate and the principal amounts and terms of the Connected Transaction Loans.

To assess the fairness and reasonableness of the terms of the Connected Transaction Agreements, we have conducted the following analysis:

*(a) Interest rate*

To assess the fairness and reasonableness of the interest rate charged for the Connected Transaction Loans, we have compared the interest rate stated under the Connected Transaction Agreements with the RMB benchmark loan interest rates (one-year and three-year) published by the PBOC, which are reference interest rates for the financial institutions to determine the interest rates of their loan transactions. According to the website of the PBOC, the one-year RMB benchmark loan interest rates since 11 May 2015:

Period	RMB benchmark loan interest rate per annum	
	One-year	Three-year
Since 11 May 2015	5.10%	5.50%
Since 28 June 2015	4.85%	5.25%
Since 26 August 2015	4.60%	5.00%
Since 24 October 2015	4.35%	4.75%

*Source: Website of the PBOC*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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To compare the Connected Transaction Loans with the corresponding period of RMB benchmark loan interest rate per annum, date of agreement, term and annual interest rate of each agreement are shown as below:

<b>Agreement</b>	<b>Date of agreement</b>	<b>Term</b>	<b>Annual interest rate</b>	<b>Corresponding PBOC loan interest rate on date of agreement</b>
First Shanghai Renhe Ocean Agreement	15 July 2015	3 years	10%	5.25%
Second Shanghai Renhe Ocean Agreement	25 August 2015	3 years	10%	5.25%
First Shanghai Wealth Agreement	16 July 2015	1 year	10%	4.85%
Second Shanghai Wealth Agreement	17 September 2015	1 year	10%	4.60%
Shanghai Renhe Investment Agreement	6 September 2015	1 year	10%	4.60%

As shown in the above table, the annual interest rate of each of the Connected Transaction Loans is higher than the corresponding RMB benchmark loan interest rates published by the PBOC.

In order to further assess the fairness and reasonableness of the interest rate stated under the Connected Transaction Agreements, we have performed the comparable loan transactions entered into one month before the Connected Transaction Agreements to compare the interest rates charged by those transactions. Details of which are set out below:

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(i) *The First Shanghai Renhe Ocean Agreement*

We have attempted to perform an analysis on comparable loan transactions with a term of three years entered into by other companies (or their subsidiaries) listed on the Main Board or Growth Enterprise Market of Stock Exchange (“GEM”) during the period from 16 June 2015 to 15 July 2015 (being one month prior to and including the date of the First Shanghai Renhe Ocean Loan Agreement). However, only one notifiable loan transaction with a term of three-year was identified – the loan transaction in the principal amount of HK\$16 million and with an interest rate of 11.00% per annum as announced by Daido Group Ltd. (544.HK) on 8 July 2015.

According to the website of PBOC, loans with a term of more than one year and within five years are classified as medium term loan (“**Medium Term Loan**”). We have, as an alternative, performed an analysis on the Medium Term Loan announced by other companies (or their subsidiaries) listed on the Main Board or GEM during the period from 16 June 2015 to 15 July 2015 (the “**First Shanghai Renhe Ocean Loan Comparables**”). The table below summarizes our relevant findings:

### First Shanghai Renhe Ocean Loan Comparables

Announcement Date	Company Name	Stock code	Total Loan		Available Term	Interest rate (per annum)
			Amount (HK\$)			
30/6/2015	Inner Mongolia Yitai Coal Co., Ltd.	3948	178,500,000	2 years	5.50%	
2/7/2015	National Agricultural Holdings Limited	1236	71,197,700	1.5 years	11.04%	
8/7/2015	Daido Group Ltd.	544	16,000,000	3 years	11.00%	
	<b>Maximum</b>				<b>11.04%</b>	
	<b>Minimum</b>				<b>5.50%</b>	
	<b>Mean</b>				<b>9.18%</b>	
	<b>First Shanghai Renhe Ocean Loan</b>		<b>5,950,000</b>	<b>3 years</b>	<b>10.00%</b>	

Source: the Stock Exchange website ([www.hkex.com.hk](http://www.hkex.com.hk))

Note: For the purpose of this table, the translation of United States dollar (“USD”) and RMB to HK\$ are based on the exchange rate of RMB1.00 to HKD1.19 and USD1.00 to HKD7.76 for the purpose of illustration only.

As shown by the above table, the interest rates of the loans of the First Shanghai Renhe Ocean Loan Comparables ranged from 5.50% to 11.04% and the mean is approximately 9.18%. The interest rate charged in the First Shanghai Renhe Ocean Loan is 10.00%, which is within the range and above the mean of the First Shanghai Renhe Ocean Loan Comparables.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(ii) *The Second Shanghai Renhe Ocean Agreement*

We have also attempted to perform an analysis on comparable loan transactions with a term of three years entered into by other companies (or their subsidiaries) listed on the Main Board or GEM during the period from 26 July 2015 to 25 August 2015 (being one month prior to and including the date of the Second Shanghai Renhe Ocean Loan Agreement). However, only one notifiable loan transaction with a term of three-year was identified – the loan transaction in the principal amount of approximately HK\$45.41 million and with an interest rate of 3.87% per annum as announced by National Agricultural Holdings Ltd. (1236.HK) on 17 August 2015.

We have, as an alternative, performed an analysis on the Medium Term Loan announced by other companies (or their subsidiaries) listed on the Main Board or GEM during the period from 26 July 2015 to 25 August 2015 (the “**Second Shanghai Renhe Ocean Loan Comparables**”). The table below summarizes our relevant findings:

### Second Shanghai Renhe Ocean Loan Comparables

Announcement Date	Company Name	Stock code	Total Loan		Available Term	Interest rate (per annum)
			Amount (HK\$)			
4/8/2015	Gemdale Properties and Investment Corporation Ltd.	535	499,800,000		2 years	5.25%
5/8/2015	China LNG Group Ltd.	931	19,040,000		1.5 years	6.50%
5/8/2015	China LNG Group Ltd.	931	43,418,340		2 years	6.50%
17/8/2015	National Agricultural Holdings Limited	1236	45,410,400		3 years	3.87%
	<b>Maximum</b>					<b>6.50%</b>
	<b>Minimum</b>					<b>3.87%</b>
	<b>Mean</b>					<b>5.53%</b>
	<b>Second Shanghai Renhe Ocean Loan</b>		<b>5,950,000</b>		<b>3 years</b>	<b>10.00%</b>

*Source: the Stock Exchange website (www.hkex.com.hk)*

*Note:* For the purpose of this table, the translation of United States dollar and RMB to HKD are based on the exchange rate of RMB1.00 to HKD1.19 and USD1.00 to HKD7.76 for the purpose of illustration only.

As shown by the above table, the interest rate of the loans of the Second Shanghai Renhe Ocean Loan Comparables ranged from 3.87% to 6.50% and the mean is approximately 5.53%. The interest rate charged in the Second Shanghai Renhe Ocean Loan is 10.00%, which is above the range and the mean of the Second Shanghai Renhe Ocean Loan Comparables.



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(iii) *The First Shanghai Wealth Agreement*

We have identified, to the best of our knowledge, an exhaustive list of 10 comparable loan transactions with a term of one year entered into by other companies (or their subsidiaries) listed on the Main Board or GEM during the period from 17 June 2015 to 16 July 2015 (being one month prior to and including the date of entering the First Shanghai Wealth Agreement) (the “**First Shanghai Wealth Loan Comparables**”). The table below summarizes our relevant findings:

### The First Shanghai Wealth Loan Comparables

Announcement Date	Company Name	Total Loan		
		Stock code	Amount (HK\$)	Interest rate (per annum)
18/6/2015	Oi Wah Pawnshop Credit Holdings Ltd.	1319	50,000,000	12.00%
19/6/2015	Gayety Holdings Limited	8179	32,000,000	8.00%
25/6/2015	China Oriental Group Co. Ltd.	581	32,725,000	10.00%
26/6/2015	First Credit Finance Group Ltd.	8215	20,000,000	11.50%
2/7/2015	Yueshou Environmental Holdings Ltd.	1191	50,000,000	13.20%
7/7/2015	Kinetic Mines and Energy Ltd.	1277	297,500,000	3.60%
8/7/2015	Roma Group Ltd.	8072	58,000,000	12.00%
8/7/2015	Linekong Interactive Group Co., Ltd.	8267	69,840,000	3.00%
8/7/2015	First Credit Finance Group Ltd. (“First Credit”)	8215	5,700,000	22.00%
8/7/2015	First Credit Finance Group Ltd.	8215	3,300,000	22.00%
	<b>Maximum</b>			<b>22.00%</b>
	<b>Minimum</b>			<b>3.00%</b>
	<b>Mean</b>			<b>11.73%</b>
For the comparable companies excluding two loans of First Credit on 8/7/2015				
	<b>Maximum</b>			<b>13.20%</b>
	<b>Minimum</b>			<b>3.00%</b>
	<b>Mean</b>			<b>9.16%</b>
	<b>First Shanghai Wealth Loan</b>		<b>28,560,000</b>	<b>10%</b>

Source: the Stock Exchange website ([www.hkex.com.hk](http://www.hkex.com.hk))

Note: For the purpose of this table, the translation of United States dollar and RMB to HKD are based on the exchange rate of RMB1.00 to HKD1.19 and USD1.00 to HKD7.76 for the purpose of illustration only.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown by the above table, the interest rate of the loan of the First Shanghai Wealth Loan Comparables ranged from 3.00% to 22.00% and the mean is approximately 11.73%. The interest rate charged in First Shanghai Wealth Loan is 10.00%, which is within the range and below the mean of the First Shanghai Wealth Loan Comparables. Among the First Shanghai Wealth Loan Comparables, we noted that the interest rate of the loan from the two loans from First Credit on 8 July 2015 were exceptionally high as compared with those of the other First Shanghai Wealth Loan Comparables, therefore, we are of the view that the two loans from the First Credit on 8 July 2015 are rather outliers. For the comparable loans excluding the two loans from the First Credit on 8 July 2015, the interest rate of the loan ranged from 3.00% to 13.20% and the mean is approximately 9.16%. The interest rate charged in the First Shanghai Wealth Loan is 10.00%, which is within the range and above the mean of the First Shanghai Wealth Loan Comparables (excluding the two loans from the First Credit on 8 July 2015).

(iv) *The Second Shanghai Wealth Agreement*

We have identified, to the best of our knowledge, an exhaustive list of 7 comparable loan transactions with a term of one year entered into by other companies (or their subsidiaries) listed on the Main Board or GEM during the period from 18 August 2015 to 17 September 2015 (being one month prior to and including the date of entering the Second Shanghai Wealth Agreement) (the “Second Shanghai Wealth Loan Comparables”). The table below summarizes our relevant findings:

### Second Shanghai Wealth Loan Comparables

Announcement Date	Company Name	Stock code	Total Loan		Available Term	Interest rate (per annum)
			Amount (HKD)			
20/8/2015	Kinetic Mines and Energy Ltd.	1277	119,000,000		1 year	4.45%
1/9/2015	Roma Group Limited	8072	10,700,000		1 year	16.00%
1/9/2015	Roma Group Limited	8072	9,300,000		1 year	16.00%
11/9/2015	China Best Group Holding Ltd.	370	71,400,000		1 year	3.48%
11/9/2015	China Best Group Holding Ltd.	370	63,070,000		1 year	3.45%
11/9/2015	China Best Group Holding Ltd.	370	8,330,000		1 year	3.51%
14/9/2015	Dowell Property Holdings Limited	668	230,802,854		1 year	4.24%
	<b>Maximum</b>					<b>16.00%</b>
	<b>Minimum</b>					<b>3.45%</b>
	<b>Mean</b>					<b>7.30%</b>
	<b>Second Shanghai Wealth Loan</b>		<b>297,500,000</b>		<b>1 year</b>	<b>10.00%</b>

Source: the Stock Exchange website ([www.hkex.com.hk](http://www.hkex.com.hk))

Note: For the purpose of this table, the translation of United States dollar and RMB to HKD are based on the exchange rate of RMB1.00 to HKD1.19 and USD1.00 to HKD7.76 for the purpose of illustration only.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As shown by the above table, the interest rate of the loan of the Second Shanghai Wealth Loan Comparables ranged from 3.45% to 16.00% and the mean is approximately 7.30%. The interest rate charged in Second Shanghai Wealth Loan is 10.00%, which is within the range and above the mean of the Second Shanghai Wealth Loan Comparables.

(v) *The Shanghai Renhe Investment Agreement*

We have identified, to the best of our knowledge, an exhaustive list of 13 comparable loan transactions with a term of one year entered into by other companies (or their subsidiaries) listed on the Main Board or GEM during the period from 7 August 2015 to 6 September 2015 (being one month prior to and including the date of entering the Shanghai Renhe Investment Agreement) (the “Shanghai Renhe Investment Loan Comparables”). The table below summarizes our relevant findings:

### The Shanghai Renhe Investment Loan Comparables

Announcement Date	Company Name	Stock code	Total Loan		Available Term	Interest rate (per annum)
			Amount	(HK\$)		
7/8/2015	Labixiaoxin Snacks Group Ltd.	1262	261,800,000		1 year	6.00%
12/8/2015	Kinetic Mines and Energy Ltd.	1277	119,000,000		1 year	4.43%
12/8/2015	Emperor Capital Group Ltd.	717	186,320,000		1 year	13.00%
12/8/2015	GCL New Energy Holdings Ltd.	451	56,858,200		1 year	10.00%
12/8/2015	GCL New Energy Holdings Ltd.	451	56,858,200		1 year	10.00%
12/8/2015	GCL New Energy Holdings Ltd.	451	216,841,800		1 year	10.00%
12/8/2015	GCL New Energy Holdings Ltd.	451	216,841,800		1 year	10.00%
13/8/2015	ZH International Holdings Ltd.	185	178,500,000		1 year	4.00%
14/8/2015	Kinetic Mines and Energy Ltd.	1277	238,000,000		1 year	4.45%
17/8/2015	First Credit Finance Group Ltd.	8215	6,200,000		1 year	30.00%
20/8/2015	Kinetic Mines and Energy Ltd.	1277	119,000,000		1 year	4.45%
1/9/2015	Roma Group Limited	8072	10,700,000		1 year	16.00%
1/9/2015	Roma Group Limited	8072	9,300,000		1 year	16.00%
	<b>Maximum</b>					<b>30.00%</b>
	<b>Minimum</b>					<b>4.00%</b>
	<b>Mean</b>					<b>10.64%</b>
For the comparable companies excluding loan of First Credit						
	<b>Maximum</b>					<b>16.00%</b>
	<b>Minimum</b>					<b>4.00%</b>
	<b>Mean</b>					<b>9.03%</b>
	<b>Shanghai Renhe Investment Loan</b>		<b>416,500,000</b>		<b>1 year</b>	<b>10.00%</b>

Source: the Stock Exchange website ([www.hkex.com.hk](http://www.hkex.com.hk))

Note: For the purpose of this table, the translation of United States dollar and RMB to HKD are based on the exchange rate of RMB1.00 to HKD1.19 and USD1.00 to HKD7.76 for the purpose of illustration only.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As shown by the above table, the interest rate of the loan ranged of the Shanghai Renhe Investment Loan Comparables from 4.00% to 30.00% and the mean is approximately 10.64%. Among the Shanghai Renhe Investment Loan Comparables, we noted that the interest rate of the loan from First Credit on 17 August 2015 were exceptionally high as compared with those of the other Shanghai Renhe Investment Loan Comparables, therefore, we are of the view that the loan from the First Credit on 17 August 2015 is rather an outlier. For the comparable loans excluding the loan from the First Credit on 17 August 2015, the interest rate of the loan ranged from 4.00% to 16.00% and the mean is approximately 9.03%. The interest rate charged in Shanghai Renhe Investment Loan is 10.00%, which is within the range and above the mean of the Shanghai Renhe Investment Loan Comparables (excluding the loan from First Credit).

Having considered the interest rate stated in each of the Connected Transaction Agreements is (i) above the corresponding period term of RMB benchmark loan interest rate per annum published by the PBOC; and (ii) the interest rate of each of the agreements is within or above the range and above the mean of the corresponding comparables (after excluding corresponding outlier(s)), as a result, we are of the view the interest rate stated in each of the Connected Transaction Agreements is fair and reasonable.

**(b) *Securities of the Connected Transaction Loans***

*(i) Shanghai Renhe Ocean Loans*

The security stated in the First Shanghai Renhe Ocean Agreement and Second Shanghai Renhe Agreement included certain marine products owned by Shanghai Renhe Ocean. As advised by the Company, the values of the certain marine products are with reference to the transaction prices of relevant marine products between independent third parties and Shanghai Renhe Ocean. The total values of the marine products in the First Shanghai Renhe Ocean Agreement and Second Shanghai Renhe Agreement are approximately RMB14,427,000 and RMB13,684,000, respectively. We have reviewed sample of market quotations on the relevant marine products from the independent third parties of the Group and Shanghai Renhe Ocean and noted that the value of the marine products stated in the First Shanghai Renhe Ocean Agreement and Second Shanghai Renhe Ocean Agreement are not less favorable than the market quotations of the relevant marine products provided by the independent third parties. Therefore, we consider the securities under the Shanghai Renhe Ocean Loans are sufficient to cover to the principal amount and the accrued interest of the Shanghai Renhe Ocean Loans.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(ii) *Shanghai Wealth Loans*

The security stated in the First Shanghai Wealth Agreement and the Second Shanghai Wealth Agreement included the Shanghai Wealth Properties which comprised (i) 19 units of storage properties with total gross floor area of 33,890.77 square metres located at No. 110-113, 115-116, 119-123, 125-133, Lane 1277, East Zhuanxing Road, Minhang District, Shanghai, the PRC (中國上海市閔行區顛興東路1277弄110-113,115-116,119-123,125-133號) (the “Storage Properties at Lane 1277”); and (ii-a) 2 units of storage properties with total gross area of 40,979.23 square metres located at Lane 1331, East Zhuanxing Road, Minhang District, Shanghai, the PRC (中國上海市閔行區顛興東路1331號) and Lane 1313, East Zhuanxing Road, Minhang District, Shanghai, the PRC (中國上海市閔行區顛興東路1313號) (the “Storage Properties at Lane 1331 and 1313”) and (ii-b) 1 unit of constructing land with 24,718.76 square metres located at Lane 1231, East Zhuanxing Road, Minhang District, Shanghai, the PRC (中國上海市閔行區顛興東路1231號) (the “Constructing Land”).

The total market value of the Shanghai Wealth Properties as assessed by a property valuer, Shanghai AnDaHua Yong Real Estate Appraisal Co., Ltd. (the “**AnDaHua Yong**”), was approximately RMB1,513,546,900 as at 3 December 2014. In assessing the fairness and reasonableness of the market value of the Shanghai Wealth Properties, we have performed the following steps pursuant to note 1(d) to Rule 13.80 of the Listing Rules: (i) obtained the relevant information and reviewed the underlying assumptions used for the valuation report prepared by AnDaHua Yong (the “**Valuation Report**”). Nothing has been identified during their engagement that may cast the validity or reasonableness of the assumptions of the Valuation Report in doubt; and (ii) discussed with the AnDaHua Yong on the direct comparison approach and income approach on the Storage Properties at Lane 1277, the cost approach on the Storage Properties at Lane 1331 and 1313 and the hypothetical development method on the Constructing Land used by them and are satisfied that the approaches are appropriate and objective in such circumstances.

In order to assess the expertise and independence of AnDaHua Yong regarding to the valuation of the Shanghai Wealth Properties, we have reviewed the scope of work and conducted an interview with AnDaHua Yong and we are given to understand that (a) it has over 20 years of experience in the valuations on properties in the PRC; and (b) except for its engagement in respect of the valuation of the AnDaHua Yong, it has no current or prior relationships with the Company and/or the connected persons of the Company. As such, we are not aware of any matters that would cause us to question the AnDaHua Yong expertise and independence in conducting the valuation for the Shanghai Wealth Properties. Moreover, we are not aware the Group, Shanghai Yongsheng and Shanghai Wealth have made any formal or informal representation to the AnDaHua Yong and the Valuation Report.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Given that AnDaHua Yong was appointed by Shanghai Wealth, the borrower of the First Shanghai Wealth Loan and the Second Shanghai Wealth Loan, to prepare the Valuation Report, and the Valuation Report was not prepared for the purpose of obtaining Shanghai Wealth Loan, we have conducted the assessment of the Valuation Report. After the aforesaid assessments on AnDaHua Yong and the Valuation Report, we consider the result of the Valuation Report prepared by AnDaHua Yong is fair and reasonable and the Shanghai Wealth Properties, which valued at approximately RMB1,513,546,900, are sufficient to safeguard the repayment.

*(iii) Shanghai Renhe Investment*

We noted that the Shanghai Renhe Investment Loan was provided on an unsecured basis, and therefore we have assessed the repayment ability of Shanghai Renhe Investment. As advised by the Company, the registered capital of Shanghai Renhe Investment is RMB1,500,000,000. According to the audited financial report of Shanghai Renhe Investment as at 31 December 2014 and its unaudited management account as at 31 December 2015, Shanghai Renhe Investment had net asset value attributable to equity holders of approximately RMB1,522,410,000 and approximately RMB1,524,037,000, respectively. Its consolidated current asset value and net current assets value as at 31 December 2014 were approximately RMB754,386,000 and RMB561,902,000 respectively. Moreover, its consolidated current asset value and net current assets value as at 31 December 2015 were approximately RMB1,043,045,000 and RMB692,124,000 respectively. Besides, Shanghai Renhe Investment has a net profit during the two years ended 31 December 2015. As such, we consider that Shanghai Renhe Investment has sufficient repayment ability for the Shanghai Renhe Investment Loan and we are not aware of any burdens for the repayment of the Shanghai Renhe Investment Loan.

*(iv) Financial effects of the Connected Transaction Agreements*

Assets and liabilities

As stated in the 2015/16 Interim Report, the loans receivable of the Group was approximately HK\$1,571,403,000 as at 31 December 2015, which was mainly attributed by the advancements of the Loans, whereas the Group's bank balances and cash was reduced to HK\$467,680,000 as at 31 December 2015 as compared to the same of approximately HK\$687,883,000 as at 30 June 2015 due to the advancements of the Loans and the subscription of the convertible promissory note as stated in the announcement dated 6 August 2015.

Earnings

The interest payable under the Connected Transaction Loans are payable on an annual basis or at the end of the term of the relevant Connected Transaction Loans, and the Group is expected to generate interest income on the outstanding balance until each of the Connected Transaction Loans is fully repaid, pursuant to the terms of the Connected Transaction Agreements.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### RECOMMENDATION

Having considered the principal reasons and factors referred to above, we are of the opinion that the entering into of the Connected Transaction Agreements is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and the terms of the Connected Transaction Agreements are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we advise the Independent Board Committee to advise the Independent Shareholders to vote in favor of the resolutions to be proposed at the forthcoming SGM to approve the Connected Transaction Agreements.

Yours faithfully,

For and on behalf of

**TC Capital International Limited**

**Edward Wu**

*Chairman*

**Stanley Chung**

*Managing Director*

*Note:* Mr. Edward Wu has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2005. Mr. Stanley Chung has been a responsible officer of Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance since 2006. Both Mr. Wu and Mr. Chung have participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong.

**1. SUMMARY OF FINANCIAL INFORMATION**

Financial information of the Group for each of the three years ended 30 June 2013, 2014 and 2015 and for the six months ended 31 December 2015 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hkex109.hk>):

- annual report of the Company for the year ended 30 June 2013 published on 28 October 2013 (pages 26 to 87): <http://www.hkexnews.hk/listedco/listconews/SEHK/2013/1028/LTN20131028190.pdf>
- annual report of the Company for the year ended 30 June 2014 published in 22 October 2014 (pages 26 to 77): <http://www.hkexnews.hk/listedco/listconews/SEHK/2014/1022/LTN20141022184.pdf>
- annual report of the Company for the year ended 30 June 2015 published on 26 October 2015 (pages 30 to 85): <http://www.hkexnews.hk/listedco/listconews/SEHK/2015/1026/LTN20151026611.pdf>
- interim report of the Company for the six months ended 31 December 2015 published on 24 March 2016 (pages 1 to 26): <http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0324/LTN201603241167.pdf>

**2. STATEMENT OF INDEBTEDNESS**

At the close of business on 29 February 2016, being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness are as follows:

**Debt instruments**

As at the close of business on 29 February 2016, the Group had outstanding convertible notes in an aggregate principal amount of HK\$73,942,000 which were unsecured and classified as non-current liabilities with carrying amount of HK\$64,446,000.

**Commitments**

As at the close of business on 29 February 2016, the Group had the capital commitment for investment in Metro Leader, a subsidiary of the Group, for no more than US\$80,000,000 of capital in Metro Leader subject to the achievement of certain key milestones as specified in Metro Leader SHA.

**Pledge of assets**

As at the close of business on 29 February 2016, the Group had no pledge, mortgage, or charge of assets.



**Contingent liabilities**

As at the close of business on 29 February 2016, the Group had no material contingent liabilities.

Apart from the aforementioned convertible notes and commitments, intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, mortgages, charges or debentures, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills and payables), acceptance credits or hire purchase commitments, guarantees or other material contingent liabilities outstanding at the close of business on 29 February 2016.

**3. WORKING CAPITAL**

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources available to the Group including internally generated funds, the Group will, following the provision of the Loans, have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of publication of this circular, in the absence of unforeseeable circumstances.

**4. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The gradual integration of the Chinese economy with the global economic system has brought unprecedented significant opportunities for the Group. Looking ahead, the Group is assessing the situation and riding on the momentum, and will continue to focus on investment in global emerging industries. Towards this end, it is concentrating on exploring leading large-scale enterprises with the core patented technology and industry influence as potential investment targets and actively looking for investment opportunities and continually improving the strategic layout of the portfolio in the clean energy, internet banking, biopharmaceutical, financial investment, bulk commodities, cultural industries and other major sectors.

In November 2015, the International Monetary Fund has approved the inclusion of the RMB in the Special Drawing Right (SDR) basket, and the RMB became the first emerging market currency to be recognized. With the acceleration of internationalization of the RMB, the offshore RMB market continues to develop, along with the offshore RMB business investment growth, and China will also release the tremendous pent-up demand for allocation/acquisition of overseas assets.

The Group has commenced the overseas asset management business, and is aiming to be at the forefront of technology in the field of internet banking projects in the future. Internet banking is set to become a disruptive innovation model of digital financial business, with a smartphone as a carrier, bringing a new generation of high net-worth clients on the go having overseas assets with safe, fast and efficient global network banking and investment management experiences. On the other hand, as the opening up of Myanmar's economy continues projects involving laying fiber optic broadband internet networks and the rollout of telecommunications data services in Myanmar should in turn generate market demand and explosive growth opportunities.

According to the external investment statistics released by the Ministry of Commerce of the People's Republic of China ("Commerce Department"), the total value of investment stocks of Chinese enterprises exceeded one trillion US dollars for the first time in 2015. "One Belt and One Road" and the international capacity cooperation were the new themes of overseas investments by Chinese enterprises. As for the methods, mergers and acquisitions became the principal means of foreign investment. According to the Commerce Department's preliminary statistics, some 593 overseas mergers and acquisitions projects were undertaken by Chinese enterprises in 2015, with a cumulative transaction value amounting to US\$ 40.1 billion. Looking ahead to 2016, the industry expects China's foreign investment to achieve double-digit growth. As the implementation of the "Going out" strategy by Chinese companies progresses, their involvement in the global mergers and acquisitions in the future is expected to become more active. In view of this trend, the Group's strategy is in line with this boom in supporting the more efficient outward investment of Chinese capital to a greater extent and depth with better quality by taking advantage of the emerging professional financial investment holding platform.

In the future, the Group will continue to explore emerging field projects with high growth potential and will continue to promote and actively implement the projects recently initiated and more closely manage the projects already implemented, as well as integrate the resources, leverage the effectiveness and ensure good returns. The Group strives to be "the trusted financial investment management company in the Hong Kong capital market guided by the vision to become an efficient investment platform with an influence on the world's financial industry," and will not only assist Chinese capital markets in forging links with global capital markets, but also steadily improving its business and financial performance.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DIRECTORS' INTERESTS

### (a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company 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 (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, were as follows:

#### *Interest in the Shares and the underlying Shares of the Company*

Name of Director	Capacity	Number of Shares held	Approximate percentage of issued share capital as at Latest Practicable Date	Nature of Shares interested
Chau On Ta Yuen	Beneficial owner	2,500,000	0.03%	Long position
Chen Chuan Jin	Beneficial owner	10,000,000	0.14%	Long position
Kwan Shan	Beneficial owner	620,000	0.01%	Long position
Lo Wan Sing, Vincent	Beneficial owner	9,500,000	0.13%	Long position
Lu Sheng	Interest of controlled corporation (Note 1)	600,000,000	8.33%	Long position
Sonny Wu	Beneficial owner and interest of controlled corporation (Note 2)	970,000,000	13.46%	Long position

*Notes:*

1. Power Fine Global Investment Limited is wholly owned by Mr. Lu Sheng, an executive Director. Mr. Lu Sheng is deemed to be interested in the 600,000,000 Shares held by Power Fine Global Investment Limited for the purposes of the SFO.
2. Mr. Sonny Wu, an executive Director, is the beneficial owner of 910,000,000 Shares. Smart Tiger Holdings Limited and Fortune Interface Assets Limited are wholly owned by Mr. Sonny Wu. Mr. Sonny Wu is deemed to be interested in the 30,000,000 Shares held by Smart Tiger Holdings Limited and 30,000,000 held by Fortune Interface Assets Limited (through its wholly-owned subsidiary Great Universal Holdings Limited), respectively, for the purposes of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests and short positions 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 (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

**(b) Director's interests in assets, contracts or arrangement of the Group**

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date of which any Director is materially interested and which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors or proposed Directors had, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 30 June 2015, the date of which the latest published and audited consolidated financial statements of the Company were made up.

**(c) Service contract**

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

**(d) Other disclosures under the SFO**

As at the Latest Practicable Date, none of the Directors or proposed Directors was a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### 3. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given its opinions or advice which are included in this circular:

<b>Name</b>	<b>Qualifications</b>
TC Capital International Limited	A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, TC Capital did not have any shareholding, directly or indirectly, in any member of the Group or any 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, TC Capital did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by, or leased to any member of the Group since 30 June 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

TC Capital has given and has not withdrawn its written consent to the issue of this circular, with the inclusion herein of its letter dated 29 April 2016 and report and references to its name in the form and context in which it appears which were made by TC Capital for incorporation in this circular.

### 4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 30 June 2015, being the date to which the latest published audited financial statements of the Group was made up.

### 5. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors nor their respective close associates had any interests in businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group, other than those businesses which the Directors were appointed as directors to represent the interests of the Group.

### 6. PENDING LITIGATION OR CLAIMS

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

**7. MISCELLANEOUS**

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- (b) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The company secretary of the Company is Mr. Chan Chi Ming, Tony who is a Certified Public Accountant admitted by the CPA Australia.
- (d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

**8. MATERIAL CONTRACTS**

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

- (a) the placing agreement dated 9 January 2015 (as supplemented by a supplemental deed dated 29 January 2015) between the Company and Partners Capital Securities Limited in relation to the placing of a maximum of 1,500,000,000 new Shares and the issue of convertible bonds by the Company in the maximum principal amount of HK\$1,843,800,000, details of which are set out in the circular of the Company dated 11 March 2015;
- (b) the subscription agreement dated 9 January 2015 (as supplemented by a supplemental deed dated 29 January 2015) between the Company and Tiancheng International Holdings Investment Limited in relation to the placing of a maximum of 1,500,000,000 new Shares and the issue of convertible bonds by the Company in the maximum principal amount of HK\$1,843,800,000, details of which are set out in the circular of the Company dated 11 March 2015; and
- (c) the equity purchase agreement dated 21 May 2015 between the Company and Jilin Changxin Equity Investment Fund Partnership (Limited Partnership), Golden 11 Investment International Pte. Ltd. ("Golden 11"), Chen Shimin, High-tech World Development Ltd and Max Cooper International Ltd. in relation to the acquisition of 51% equity interest in the Golden 11, details of which are set out in the announcement of the Company dated 22 May 2015; and
- (d) the investment agreement dated 30 September 2015 between the Company, Golden 11, Chen Shimin, High-tech World Development Ltd and Max Cooper International Ltd. in relation to, among other things, the subscription of 397,800 ordinary shares in Golden 11 by the Company, details of which are set out in the announcement of the Company dated 30 September 2015; and

- (e) the shareholder agreement dated 29 January 2016 between the Company, Prominent Wise, the Founders and Metro Leader, pursuant to which the Company agreed to invest no more than US\$80,000,000 of capital in Metro Leader subject to the achievement of certain key milestones specified in the Metro Leader SHA, details of which are set out in the announcement of the Company dated 31 January 2016; and
- (f) the investment agreement dated 21 March 2016 between a wholly owned subsidiary of the Group, Golden 11, Chen Shimin, High-tech World Development Ltd and Max Cooper International Ltd. in relation to, among other things, the subscription of 714,285 ordinary shares in Golden 11 by the Company, details of which are set out in the announcement of the Company dated 21 March 2016.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be made available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. on any weekday except public holidays at the principal place of business of the Company in Hong Kong at 38th Floor, Bank of China Tower, No. 1 Garden Road, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the financial years ended 30 June 2013, 30 June 2014 and 30 June 2015;
- (c) the interim report of the Company for the six months ended 31 December 2015;
- (d) the Major Transaction Agreements and the Supplemental Agreements;
- (e) the letter of recommendation from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this circular;
- (f) the letter of advice from TC Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 26 to 45 in this circular;
- (g) written consent from TC Capital referred to in paragraph 3 of this Appendix;
- (h) the material contracts as referred to in the section headed “Material Contracts” in this Appendix; and
- (i) the circular of the Company published on 31 December 2015 and this circular.

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## NOTICE OF THE SGM

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GOOD RESOURCES

### Good Resources Holdings Limited

天成國際集團控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 109)

#### NOTICE OF THE SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a Special General Meeting of Good Resources Holdings Limited (the “**Company**”) will be held at 38th Floor, Bank of China Tower, No. 1 Garden Road, Hong Kong on 17 May 2016 at 11:00 a.m. for the purposes of considering and, if thought fit, passing, with or without amendments as an ordinary resolution, the following resolutions, and unless otherwise defined herein, the terms herein shall have the same meanings as defined in the circular to the shareholders of the Company dated 29 April 2016:

#### AS ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the First Shanghai Renhe Ocean Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the First Shanghai Renhe Ocean Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”

2. “**THAT:**

- (a) the Second Shanghai Renhe Ocean Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the Second Shanghai Renhe Ocean Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”

\* for identification purposes only



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## NOTICE OF THE SGM

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3. **“THAT:**
  - (a) the Zhejiang Wenhua Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
  - (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the Zhejiang Wenhua Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”
  
4. **“THAT:**
  - (a) the Sanya Luhuitou Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
  - (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the Sanya Luhuitou Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”
  
5. **“THAT:**
  - (a) the Liyang Qingfeng Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
  - (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the Liyang Qingfeng Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”
  
6. **“THAT:**
  - (a) the Shanghai Shihao Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
  - (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the Shanghai Shihao Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”

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## NOTICE OF THE SGM

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7. **“THAT:**
- (a) the First Shanghai Wealth Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
  - (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the First Shanghai Wealth Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”
8. **“THAT:**
- (a) the Second Shanghai Wealth Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
  - (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the Second Shanghai Wealth Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”
9. **“THAT:**
- (a) the Shanghai Renhe Investment Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
  - (b) the Directors be and are hereby authorized to do all such acts and things as they consider necessary, desirable or expedient for the implementation of and giving effect to the Shanghai Renhe Investment Agreement and the transactions contemplated thereunder and all such acts and things the Directors have done are hereby approved, confirmed and ratified.”

By Order of the Board  
**Good Resources Holdings Limited**  
**Chan Chi Ming, Tony**  
*Company Secretary*

Hong Kong, 29 April 2016

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## NOTICE OF THE SGM

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*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

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

38th Floor,  
Bank of China Tower,  
No. 1 Garden Road, Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, on a poll, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's Hong Kong branch registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.

*As at the date of this notice, (i) the executive directors of the Company are Mr. Sonny Wu and Mr. Lu Sheng; (ii) the non-executive directors of the Company are Mr. Liu Hai, Mr. Chen Chuanjin and Mr. Lo Wan Sing, Vincent; and (iii) the independent non-executive directors of the Company are Mr. Ford Fraker, Mr. Chau On Ta Yuen, Mr. Francisco Sánchez and Ms. Kwan Shan.*