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GLOBAL INTERNATIONAL CREDIT GROUP LIMITED
環球信貸集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1669)

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
A NOTE PURCHASE AGREEMENT,
FULLY EXEMPTED CONNECTED TRANSACTION
IN RELATION TO THE SHAREHOLDER FACILITY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial advisor to the Company

Deloitte.

德勤

Deloitte & Touche Corporate Finance Limited

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



上銀國際有限公司

BOSC International Company Limited

A letter from the Board is set out on pages 8 to 35 of this circular and a letter from the Independent Board Committee set out on pages 36 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders on the terms of the Note Purchase Agreement and the Note Transaction contemplated therein is set out on pages 37 to 45 of this circular.

A notice convening the EGM to be held at Unit A, 29/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong, at 3 p.m. on Wednesday, 11 November 2015 is set out on pages 60 to 61 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjournment thereof if they so wish.

26 October 2015

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DEFINITIONS

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

“Affiliates”	with respect to a Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person
“Ancillary Agreements”	the investors’ rights agreement, the voting agreement, the right of first refusal and co-sale agreement, and the share restriction agreement, all of which the Company is a party to, and the nominee director’s indemnification agreement, attached as exhibits to the Share Purchase Agreement
“Assignee”	any other person or entity, including without limitation any of its affiliates and entities controlled by the Company
“Board”	the board of Directors
“Business”	non-banking financial services business that leverages information technology and data analytics technology to provide and/or facilitate accumulation, distribution and management of credit in the PRC through peer-to-peer (P2P) financing, trust-to-peer (T2P) financing and other scalable business models in accordance with applicable PRC Laws
“Business Day(s)”	a day (i) other than Saturday or Sunday, and (ii) on which commercial banks are open for business in the PRC and Hong Kong
“Charter Documents”	with respect to a particular legal entity, certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity
“Company”	Global International Credit Group Limited, an exempted company incorporated under the Companies Law of the Cayman Islands with limited liability on 20 January 2014, whose Shares are listed on the main board of the Stock Exchange
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Contract”	a contract, agreement, indenture, note, bond, loan, instrument, lease, mortgage, franchise, license, commitment, purchase order, and other legally binding arrangement, whether written or oral
“Control”	the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by Contract or otherwise; provided, that such power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of a majority of the board of directors of such Person. The terms “Controlled” and “Controlling” have meanings correlative to the foregoing
“Controlling Shareholder”	Blossom Spring Global Limited, a company incorporated in the British Virgin Islands which in turn is the holder of 75% of the entire issued share capital of the Company. The entire issued share capital of Blossom Spring Global Limited is held by Ms. Jin
“Convertible Promissory Note”	the convertible promissory note in the aggregate principal amount of RMB200,000,000 or its equivalent, convertible into fully paid Series B Preferred Shares
“Directors”	the director(s) of the Company
“Domestic Company”	上海夸客金融信息服务有限公司(Shanghai Quark Finance Information Service Limited), a limited liability company organized and existing under the laws of the PRC and established in April 2014
“EGM”	an extraordinary general meeting of the Company to be convened at which an ordinary resolution will be proposed to approve the Note Purchase Agreement and the Note Transaction contemplated therein
“Financial Assistance”	the financial assistance contemplated by the Shareholder Facility
“Founders”	the founders of Quark, namely Guo Zhenzhou and Wang Hao, are also the Warrantors
“Group”	the Company and its subsidiaries

DEFINITIONS

“HK Company”	Quark Finance Group (Hong Kong) Limited, a company incorporated under the Laws of the Hong Kong which is a wholly-owned subsidiary of Quark
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising Mr. Chan Chi On (alias Derek Chan), Dr. Ng Lai Man, Carmen, and Mr. Tang, Warren Louis, all being the independent non-executive Directors
“Independent Financial Adviser”	BOSC International Company Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Note Purchase Agreement and the Note Transaction contemplated therein
“Independent Shareholders”	Shareholders other than the Controlling Shareholder and its associates
“Latest Practicable Date”	22 October 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Law(s)”	any and all constitutional provision, statute, law, rule, regulation, official policy or interpretation of any governmental or regulatory authority
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Effect”	any change, event or circumstance that is or would have a material adverse effect on (i) the business, properties or condition (financial or otherwise), results of operations or prospects of any of the Quark Group Companies individually or taken as a whole, (ii) the validity or enforceability of the Note Purchase Agreement and any agreement contemplated by the Note Documents against any party thereto (other than the holder of a Convertible Promissory Note), or (iii) the ability of any Warrantor to perform its obligations under the Note Documents or in connection with the transactions contemplated thereunder

DEFINITIONS

“Ms. Jin”	Ms. Jin Xiaoqin, the ultimate beneficial owner of the entire issued share capital of the Controlling Shareholder, an executive Director and the mother of Ms. Wang Yao, an executive Director
“Note Documents”	the Note Purchase Agreement, the Convertible Promissory Note and any other documents, agreements and instruments entered into in connection with or contemplated by the Note Purchase Agreement
“Note Purchase Agreement”	the conditional note purchase agreement entered into among Quark, the Founders and the Company dated 21 July 2015 (after trading hours) with respect to the Note Transaction
“Note Transaction”	the purchase of the Convertible Promissory Note by the Company as contemplated in the Note Purchase Agreement subject to fulfillment of the conditions therein unless waived in writing by the Company (i.e. the stage when completion of the sale and purchase of the Convertible Promissory Note takes place when Quark issues the Convertible Promissory Note to the Company and the Company makes payment therefor to Quark)
“NPA Closing”	the consummation of the purchase and sale of the Convertible Promissory Note
“Ordinary Shares”	an ordinary share of US\$0.0001 par value per share in the capital of Quark
“Person”	any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan

DEFINITIONS

“Qualified IPO”	the closing of a firm commitment underwritten public offering of the Ordinary Shares of Quark (or depositary receipts or depositary shares therefor) in the United States of America pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, in which Ordinary Shares are sold to the public at a price of at least US\$1.5 per Ordinary Share (net of underwriting commissions and expenses), as adjusted for any share dividends, combinations, reclassifications or splits with respect to the Ordinary Shares, and resulting in at least \$100 million of net proceeds to Quark (net of the underwriting discount and commissions), or in a public offering of the Ordinary Shares of Quark (or depositary receipts or depositary shares therefor) in another jurisdiction which results in the Ordinary Shares trading publicly on a recognized international securities exchange approved by each of the Series A Preferred Shareholders and the Company (provided that it holds any Quark Shares), so long as such offering satisfies the foregoing pre-offering valuation requirements
“Quark”	Quark Finance Group, an exempted company organised under the laws of the Cayman Islands
“Quark Group Company(ies)”	collectively, Quark, the HK Company, the WFOE, the Domestic Company and (i) their respective subsidiaries and Affiliates, or (ii) each other entity whose results of operations and financial conditions are consolidated with any Quark Group Company for financial reporting purposes in accordance with the applicable accounting principles. A Quark Group Company refers to any member of such Quark Group Companies
“Quark Shares”	collectively, the Ordinary Shares, the Series A Preferred Shares and Series B Preferred Shares
“Series A Preferred Shares”	the Series A preferred shares issued by Quark to the Series A Preferred Shareholders pursuant to the Series A Preferred Shares Purchase Agreement among the parties thereto dated 5 June 2014
“Series A Preferred Shareholders”	(i) Expolito Enterprises Limited, a company organised under the laws of the British Virgin Islands and principally engaged in investment holding; and (ii) Gobi Fund II, L.P., a limited partnership organized and existing under the laws of the Cayman Islands and principally engaged in investment holding

DEFINITIONS

“Series B Preferred Shares”	the Series B preferred shares to be issued by Quark as is equal to the Conversion Property, par value US\$0.0001 per share for an aggregate purchase price of RMB200,000,000
“Series B Transaction”	the purchase of the Series B Preferred Shares by a holder of the Convertible Promissory Note contemplated in the Share Purchase Agreement subject to fulfillment of the conditions therein unless waived in writing by the Company (i.e. the stage when completion of the sale and purchase of the Series B Preferred Shares takes place when the Convertible Promissory Note is converted and the Company obtains Series B Preferred Shares)
“SFO”	Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share Purchase Agreement”	the conditional share purchase agreement dated 21 July 2015 entered into among the Company, Quark, the HK Company, the WFOE, the Domestic Company, the Founders, Expolito Enterprises Limited and Gobi Fund II, L.P. in respect of the Series B Transaction
“Shares”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Shareholder Facility”	the facility letter issued by the Controlling Shareholder to the Company for an unsecured interest-bearing facility in the amount of up to RMB200,000,000
“SPA Closing”	completion of the purchase and sale of the Series B Preferred Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Documents”	the Note Purchase Agreement, the Share Purchase Agreement, the Ancillary Agreements, the amended and restated memorandum and articles of association of Quark, and each of the other agreements and documents otherwise required in connection with implementing the transactions contemplated by any of the foregoing
“Warrantors”	each of Quark and the Founders

DEFINITIONS

“WFOE”	夸客投资管理(上海)有限公司 (Quark Investment Management (Shanghai) Limited), a wholly foreign-owned enterprise incorporated under the laws of the PRC as a wholly-owned subsidiary of the HK Company in July 2014 in Shanghai
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollar(s), the lawful currency of the United States of America

In this circular, unless the context requires otherwise, certain amounts denominated in RMB have been translated to HK\$ at the prevailing exchange rate for illustration purpose only. Such conversions shall not be construed as representations that amounts in RMB was or may have been converted into HK\$ at such rate or any other exchange rates.

Certain amounts and percentage figures included in this circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

The English names of PRC nationals, enterprises, entities, departments, facilities, certificates, titles and the like are translations of their Chinese names and are for identification purpose only.

LETTER FROM THE BOARD



GLOBAL INTERNATIONAL CREDIT GROUP LIMITED

環球信貸集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1669)

Executive Directors

Ms. Wang Yao (Chairman)

Ms. Jin Xiaoqin

Independent Non-executive Directors

Mr. Chan Chi On (alias Derek Chan)

Dr. Ng Lai Man, Carmen

Mr. Tang, Warren Louis

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Principal place of business in Hong Kong:

Unit 01, 23/F

World-Wide House

19 Des Voeux Road

Central

Hong Kong

26 October 2015

To the Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
A NOTE PURCHASE AGREEMENT,
FULLY EXEMPTED CONNECTED TRANSACTION
IN RELATION TO THE SHAREHOLDER FACILITY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The Board refers to the announcement of the Company dated 21 July 2015 (the “**Announcement**”), the supplemental announcement of the Company dated 28 August 2015, and the announcements of the Company dated 11 August 2015, 8 September 2015, 30 September 2015 and 16 October 2015 in relation to the conditional Note Purchase Agreement with Quark for the Convertible Promissory Note and the conditional Share Purchase Agreement for the purchase of the Series B Preferred Shares.

LETTER FROM THE BOARD

Through its group companies, Quark is engaged in non-banking financial services business that leverages information technology and data analytics technology to provide and/or facilitate accumulation, distribution and management of credit in the PRC through peer-to-peer (P2P) financing where individual borrowers and lenders transact directly, trust-to-peer (T2P) financing where trusts, funds or corporations provide financing to individual borrowers, and other scalable business models in the PRC. A range of credit transactions are available on the Quark platform ranging from personal loans to secured lending.

On 21 July 2015 (after trading hours), the Company, the Founders and Quark entered into the conditional Note Purchase Agreement pursuant to which Quark agrees to sell and issue to the Company, and the Company agrees to purchase from Quark, a Convertible Promissory Note in the principal amount of RMB200,000,000 or its equivalent, at a consideration equal to such principal amount, convertible into fully paid Series B Preferred Shares of Quark.

In addition, on 21 July 2015 (after trading hours), the Company, Quark, the HK Company, the WFOE, the Domestic Company, the Founders, Expolito Enterprises Limited and Gobi Fund II, L.P. entered into the conditional Share Purchase Agreement in respect of the purchase of Series B Preferred Shares by a holder of the Convertible Promissory Note.

The purposes of this circular are to provide Shareholders with, among other things, the details of the Note Transaction, the Note Purchase Agreement, the Share Purchase Agreement and the relevant transactions contemplated therein, to set out the recommendation of the Independent Board Committee to the Independent Shareholders and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of Note Purchase Agreement and the Note Transaction contemplated therein and to give the Shareholders the notice of EGM and other information required by the Listing Rules.

2. NOTE PURCHASE AGREEMENT

On 21 July 2015 (after trading hours), the Company, the Founders and Quark entered into the conditional Note Purchase Agreement pursuant to which Quark agrees to sell and issue to the Company, and the Company agrees to purchase from Quark, a Convertible Promissory Note in the principal amount of RMB200,000,000 or its equivalent, at a consideration equal to such principal amount, convertible into fully paid Series B Preferred Shares of Quark.

LETTER FROM THE BOARD

Principal terms of the Convertible Promissory Note

Principal amount : RMB200,000,000

Maturity date : Unless the outstanding principal amount of the Convertible Promissory Note is otherwise converted into Series B Preferred Shares, the outstanding principal amount of such note shall be repaid in six equal instalments starting from the date of the second anniversary of Completion with the final payment of all the then outstanding principal amount of the Convertible Promissory Note as set out in Appendix IV to this circular and accrued and unpaid interest being made on the date of the third anniversary from the date of Completion (the “**Maturity Date**”). Quark and the Company may extend the Maturity Date upon mutual written consent. When deciding any extension of the Maturity Date, the Company will consider, among other things, the then financial position of the Group, the then business development plan of the Group, the then financial performance of the Quark Group Companies and the then applicable regulatory requirements (including the Listing Rules).

Repayment of the Convertible Promissory Note would be secured by a first priority security interest in collateral consisting of 100% of the outstanding shares in the HK Company (the “**Pledged Shares**”).

Pursuant to the Note Purchase Agreement, the failure to make any payment of the principal amount of the Convertible Promissory Note or interest when due is an event of default. Upon the occurrence and during the continuation of such event of default, the holder of the Convertible Promissory Note may declare the unpaid principal amount of such Convertible Promissory Note and all such other amounts thereon (including without limitation the accrued and unpaid interest) immediately due and payable (i.e. payment is accelerated). The holder of the Convertible Promissory Note may, in its sole discretion, proceed to enforce all other rights and remedies available to it if the due but unpaid amounts has not been paid within ten (10) Business Days after such declaration is made by the holder of the Convertible Promissory Note. Pursuant to the share charge and security agreement entered into by Quark in favour of the Company, the Company has the right and privileges of a record holder of the Pledged Shares including without limitation, the right to sell, transfer, or otherwise dispose of the Pledged Shares and to retain and/or to collect any and all proceeds.

If the Company decides to exercise its rights over the Pledged Shares and acquire the equity interest thereof, such action will constitute a transaction under Chapters 14 and 14A of the Listing Rules and the Company will ensure strict compliance with all applicable requirements under the Listing Rules and the then regulatory requirements in the PRC, including the Guidance Letter HKEx GL77-14, if the aforesaid acquisition materialises.

LETTER FROM THE BOARD

Prior to entering into the Note Purchase Agreement, the Company had reviewed the audited financial statements of Quark for the period ended 31 December 2014 to satisfy itself of Quark's repayment capability on the Convertible Promissory Note. In addition, the Company has discussed with the management of the Quark Group Companies and reviewed its future business plan.

As mentioned below, the Shareholder Facility is a back-to-back financing to fund the Company's purchase of the Convertible Promissory Note. The Company does not foresee any material adverse effects of the Note Transaction on the cashflow position and financial position of the Group.

- Interest
- The Convertible Promissory Note shall bear interest at the rate of 10% per annum on the outstanding principal amount from time to time. Interest shall accrue from and including the date of NPA Closing and shall be calculated on the basis of a 365-day year and the actual number of days elapsed. Interest shall be paid annually in arrear on each anniversary of NPA Closing.
- Prepayment : No Convertible Promissory Note may be prepaid without the prior written consent of the holder thereof.
- Conversion upon Series B Transaction : At any time from 1 January 2016 to the date three Business Days prior to the Maturity Date, a holder of the Convertible Promissory Note shall be entitled to elect to conduct a Series B Transaction (see the Share Purchase Agreement section below) by delivering a written notice to Quark (a "**Conversion Notice**") specifying the principal amount of the Convertible Promissory Note in respect of which the election is being made. An election may be made on one occasion only in respect of some or all of the then outstanding principal amount of the Convertible Promissory Note.

LETTER FROM THE BOARD

Number of Series B Preferred Shares after consummation of the Series B Transaction : If all of the principal amount of the Convertible Promissory Note is converted into fully paid Series B Preferred Shares pursuant to the above and the Share Purchase Agreement, the number of Series B Preferred Shares which the holder of the Note shall be entitled to (the “**Conversion Property**”) is equal to 20% of the total number of ordinary shares of Quark on a fully diluted as converted basis immediately following the conversion, assuming that all of the eight (8) agreed threshold targets (“**Targets**”) as specified in the Note Purchase Agreement and set out in Appendix II to this circular set for corresponding performance indicators of the Quark Group Companies as set out in Appendix II to this circular (“**Performance Indicators**”) have been achieved.

The Performance Indicators are (i) total outstanding balance of the amount borrowed via the platform (“**Total Outstanding Balance of the Amount**”) of the Domestic Company as at 31 December 2015; (ii) net profit for the calendar year of 2015; (iii) Total Outstanding Balance of the Amount turned more than 180 days past due of calendar year of 2015; (iv) effective cost of funding for the calendar year of 2015; (v) risk compensation fund as at 31 December 2015; (vi) monthly productivity of wealth management for the calendar year of 2015; (vii) average amount borrowed via the platform by per borrower as at 31 December 2015; and (viii) distribution of business by location as at 31 December 2015.

Conversion Property adjustment : If any of the Targets is not achieved, the Conversion Property will be adjusted based on the aggregation of all eight (8) adjusted shareholding percentage in Quark, corresponding to actual achievements (“**Actual Achievements**”) of the Performance Indicators respectively as agreed and set out in the Note Purchase Agreement and in Appendix III to this circular (“**Adjusted Shareholding Percentage**”). Such adjusted Conversion Property shall be calculated by the mathematical formula set forth below:

- (1) **Adjusted Conversion Property = TNS/(100% - AASP) - TNS**
- (2) “**TNS**” refers to the total number of ordinary shares of Quark on a fully diluted basis as converted as at the date of the Conversion Notice
- (3) “**AASP**” refers to the aggregation of all eight Adjusted Shareholding Percentage
- (4) According to the aforementioned mathematical formula, if all of the principal amount of the Convertible Promissory Note is converted into fully paid Series B Preferred Shares, the maximum number of Series B Preferred Shares shall be equal to 40% of the total number of ordinary shares of Quark on a fully diluted as converted basis immediately following the conversion, assuming that NONE of the Targets set for corresponding Performance Indicators has been achieved.

LETTER FROM THE BOARD

Appointment of director : If all of the principal amount of the Convertible Promissory Note is converted into fully paid Series B Preferred Shares and pursuant to the Share Purchase Agreement and the Conversion Property is not more than 30% the total number of Ordinary Shares on a fully diluted, as converted basis immediately following the conversion, the holder of the Convertible Promissory Note will be entitled to appoint one (1) director on the board of Quark.

If the Conversion Property reaches or exceeds 30% of the aforementioned total number of Ordinary Shares, holder of the Convertible Promissory Note will be entitled to appoint two (2) directors on the board of Quark.

Ranking : The Convertible Promissory Note will constitute a direct, unsubordinated, unconditional, secured obligations of Quark which will at all times rank *pari passu* without any preference or priority among the holders of the Convertible Promissory Note and at least *pari passu* with all other present and future unsubordinated obligations of Quark, save for obligations which may be preferred by provisions of law.

Transferability : Subject to compliance with all applicable Laws, the holder of the Convertible Promissory Note shall be entitled to transfer all or part of the principal amount of the Convertible Promissory Note to any third party upon prior written consent of Quark; provided that the holder of the Convertible Promissory Note shall be entitled to transfer all or part of the principal amount of the Convertible Promissory Note to any of its affiliates without such consent.

The management of Quark will assess if there is any regulatory requirement forbidding possible transfer of the Convertible Promissory Note. Quark undertakes that it will not unreasonably withhold such possible transfer.

According to the Shareholder Facility, the Controlling Shareholder has agreed to grant to the Company back-to-back financing with a limited recourse in which, the Company does not have to repay the Shareholder Facility unless the Company received payment from Quark (“**Back-To-Back Arrangement**”).

The management of the Company had conducted an impairment assessment on the amount of Convertible Promissory Note in accordance with the Group’s accounting policies with reference to the audited financial statements for the year ended 31 December 2014 and the latest management accounts of Quark. Together with the Back-To-Back Arrangement, the management considered that there is no impairment indicator on the amount of Convertible Promissory Note.

LETTER FROM THE BOARD

Conditions

Unless waived in writing by the Company, the obligations of the Company to complete the Note Purchase Agreement are subject to the fulfillment on or before Completion of each of the following conditions:

- Representations and Warranties : Each of the representations and warranties of the Warrantors contained in the Note Purchase Agreement shall be true, correct and complete when made and remain so on and as of the date of NPA Closing with the same effect.
- NPA Closing Certificate : The Warrantors to certify that the conditions to the Note Purchase Agreement have been fulfilled as of the date of NPA Closing.
- Performance : Each Warrantor shall have performed and complied with all of their agreements, obligations and conditions contained in the Note Documents on or before the date of NPA Closing.
- Authorizations : All required consents and approvals, if any, in connection with the Note Purchase Agreement shall have been obtained by any Warrantor and effective as of the date of NPA Closing. Each Warrantor shall have been in compliance with all applicable Laws in connection with the Note Purchase Agreement and the conduct of its business.
- Due Diligence : Due diligence on the Business, legal and financial conditions of Quark and other Quark Group Companies shall have been completed to the satisfaction of the Company in its sole discretion.
- Approval obtained by the Company : All of the required resolutions by the Shareholders pursuant to the requirements of the Listing Rules approving the execution, delivery and performance of the Note Documents and the transaction contemplated thereunder shall have been adopted and passed.
- Approval obtained by Quark : All necessary consents and approvals relating to the financing, issuance of Convertible Promissory Note and Series B Preferred Shares shall have been obtained by Quark.
- Amended and restated memorandum and articles : The amended and restated memorandum and articles of association of Quark shall have been duly adopted by the board of directors and/or the members of Quark, and become effective prior to the date of NPA Closing with no alternation or amendment as of the date of NPA Closing. The Charter Documents of each of the other Quark Group Companies shall be in the form and substance reasonably satisfactory to the Company.
- Ancillary Agreements : Each of the parties to the Ancillary Agreements shall have executed and delivered a scanned copy of such Ancillary Agreements to the Company.

LETTER FROM THE BOARD

Opinions of Counsel : The Company shall have received a PRC legal opinion issued by Global Law Office with respect to the WFOE, the Domestic Company and the Business conducted in the PRC dated as of the date of NPA Closing, both in form and substance satisfactory to the Company.

No Material Adverse Effect : There shall not have occurred a Material Adverse Effect since the date of the Note Purchase Agreement.

As at the Latest Practicable Date and as at the date of this circular, none of the conditions have been satisfied or waived.

Use of proceeds

Pursuant to the Note Purchase Agreement, unless otherwise agreed by the Company, Quark shall use the proceeds from the sale and issuance of the Convertible Promissory Note solely for general working capital and/or contributed registered capital of the Quark Group Companies.

In addition, so long as 10% of the principal amount of the Convertible Promissory Note remains outstanding, the Quark Group Companies shall not without the consent of the holder of the Convertible Promissory Note engage in certain activities which may adversely affect the interests of the Company in Quark. Such activities include restriction on declaration and payment of dividend, amendment or modification to any constitutional documents, make material investment or payment other than those in the ordinary course of business of the Quark Group Companies, enter into transactions with related parties, etc.

Further, pursuant to the Note Purchase Agreement, each of the Founders and the Quark Group Companies shall promptly furnish to the holder of the Convertible Promissory Notes, among other things, all financial statements, management reports, audited accounts and other documents of Quark that are or are to be furnished to its shareholders, including but not limited to its annual financial statements and budgets, and monthly business summary. The holder of the Convertible Promissory Note shall also have the same rights to attend meetings and access the books, records and facilities of Quark Group Companies that are afforded to their shareholders and to discuss the affairs, finances and accounts of Quark Group Companies with its officers, all at such reasonable times and as often as may be reasonably requested.

Event of default

The occurrence of any of the following shall constitute an “**Event of Default**” will entitle the holder of the Convertible Promissory Note to declare the unpaid principal amount of any Convertible Promissory Note and all other amounts payable including interest immediately due and payable:

- (a) (1) the failure to make any payment of the principal amount or interest of any Convertible Promissory Note when due, and (2) the failure to make any payment of any other amount owing hereunder and under any other Note Documents when due, and in the case of the circumstances described in this sub-clause (2), such failure shall continue unremedied for fifteen (15) or more days;

LETTER FROM THE BOARD

- (b) any representation or warranty by the Warrantors under or in connection with any Note Document shall prove to have been incorrect in any material respect when made or deemed made;
- (c) the failure of Quark to complete a Series B Transaction pursuant to the terms of the Note Purchase Agreement and the Share Purchase Agreement following delivery of a Conversion Notice;
- (d) the failure of Quark or any other Warrantor to perform or observe any term, covenant, condition, obligation or agreement contained in the Note Purchase Agreement in any material respect;
- (e) the failure of the Quark or any other Warrantor to perform or observe any other material term, covenant, condition, obligation or agreement contained in any Note Document (except those described in paragraph (c) above), which failure shall remain unremedied for a period of ten (10) days after written notice thereof from the holder of the Convertible Promissory Note;
- (f) (1) the filing of a petition by or against any Warrantor under the bankruptcy code of any jurisdiction relating to bankruptcy, insolvency or other relief for debtors; or an order for relief is entered with respect to any proceedings under any bankruptcy Laws or similar Laws providing for relief from creditors; (2) any Warrantor shall: (i) liquidate, wind up or dissolve (or suffer any liquidation, wind up or dissolution); (ii) suspend its operations other than in the ordinary course of business; (iii) become insolvent; (iv) appoint a receiver, trustee, custodian or liquidator of or for all or any part of the assets or property of such Warrantor; (v) make a general assignment for the benefit of creditors of such Warrantor; or (vi) take any corporate action to authorize or commence any proceeding under any reorganization, bankruptcy, insolvency, arrangement, readjustment of debt, dissolution or liquidation Law or statute of any jurisdiction, now or in the future in effect, except, in the case of each of the foregoing, those approved in advance by the holder of the Convertible Promissory Note; (3) the commencement of any proceeding against any Warrantor under any reorganization, bankruptcy, insolvency, arrangement, readjustment of debt, dissolution or liquidation Law or statute of any jurisdiction, now or in the future in effect, which commencement is not dismissed within sixty (60) days;
- (g) any Note Document shall at any time and for any reason not be or shall cease to be valid, binding and enforceable against any Warrantor to which it is a party or any person or entity shall contest or deny the validity and enforceability of any Note Document or shall disaffirm or repudiate any of its obligations or the obligations of any Warrantor thereunder;
- (h) any levy or other attachment against any shares of any Quark Group Company which levy or attachment is not withdrawn or otherwise effectively stayed within ten (10) days of its attachment; or
- (i) a Material Adverse Effect shall occur as reasonably determined by the holder of the Convertible Promissory Note.

LETTER FROM THE BOARD

Right to convert into Series B Preferred Shares

As stated in the Announcement, the conversion of the Convertible Promissory Note will be a future separate transaction to the Company. The Company has no present intention to exercise the conversion right under the Note Purchase Agreement.

The setting of the effective date of the conversion right to commence from 1 January 2016 enables the Company to obtain the financial information of the Quark Group Companies for the year ending 31 December 2015. The Company considers it necessary to review the full financial year performance of the Quark Group Companies before planning the next step relating to this investment.

Before deciding whether to exercise its conversion right for Series B Preferred Shares, the Company will review and assess the financial performance of the Quark Group Companies available at the time, including the Performance Indicators, and consider if the conversion price would represent an attractive investment price in light of the then financial performance. Other factors such as how much the business of Quark has developed, whether the then business of Quark would be a right fit with the business strategies of the Group and whether there are any compliance issues (such as the Contractual Arrangements between the WFOE and the Domestic Company) which need to be conformed with the then applicable regulatory and legal requirements will also be considered. **The Company will not convert the Convertible Promissory Note into any Series B Preferred Shares unless all applicable requirements under the then Listing Rules and the then regulatory requirements in the PRC, including Guidance Letter HKEx GL77-14 and the Catalogue for the Guidance of Industries for Foreign Investment (2015 Revision), are fully complied with.**

Leveraging on the extensive experience of the executive Directors and financial controller of the Company, the Group will only exercise the conversion right attached to the Convertible Promissory Note if such conversion is in the interests of the Company and Shareholders as a whole.

Prior to establishing the Group, Ms. Wang Yao, an executive Director of the Company, with a master of applied finance from Macquarie University, was employed with the Greater China private banking team at JP Morgan, where she was involved extensively in performing analysis and delivering advisory services on strategic investments in the PRC. During her five years with the Group, she has further acquired experience in management of the money lending business as well as strategic planning and development of the Group, focusing on mortgaged based lending.

Ms. Jin, an executive Director, has extensive experiences in investing in residential properties in Hong Kong and Shanghai. She was also the director of a privately held company in Hong Kong which, through its subsidiaries, engaged in motorcycle manufacturing and trading business in the PRC, where she was responsible for its treasury functions. During her years with the Group, Ms. Jin has also been monitoring the Group's treasury functions, including allocation of funds. In addition, as the sole ultimate and beneficial owner of the entire issued share capital of Expolito Enterprises Limited which in turn is an existing Series A Preferred Shareholder and holder of 46% interests in Quark, Ms. Jin has approximately two years of experience in investing in the business of the Quark Group Companies.

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The Company considers that both Ms. Wang and Ms. Jin possess intimate knowledge of both the Hong Kong and the PRC markets, good command of the money lending business, and have adequate skills set and extensive experiences to assess merits of the conversion right taking into account, among other things, the then economic environment, the then financial position of the Group, the then business development plan of the Group, and the then financial performance of the Quark Group Companies.

Ms. Patricia Leung, financial controller of the Company, has approximately 15 years of experience in finance and accounting. She has acquired extensive experience in financial management and reporting under the Hong Kong accounting framework and internal control. She will assist the Directors to assess the economic benefits of the conversion right under the applicable accounting standards.

In addition, the Company will, if it considers appropriate and desirable to exercise the conversion right, engage relevant professionals to conduct a detailed legal and financial due diligence review of the Quark Group Companies. The Company may also engage a market research expert to obtain relevant market information to assess the business prospects of the Quark Group Companies.

3. SHARE PURCHASE AGREEMENT

On 21 July 2015 (after trading hours), the Company, Quark, the HK Company, the WFOE, the Domestic Company, the Founders, Expolito Enterprises Limited and Gobi Fund II, L.P. entered into the conditional Share Purchase Agreement in respect of the purchase of Series B Preferred Shares by a holder of the Convertible Promissory Note. If a Conversion Notice is delivered pursuant to the Note Purchase Agreement, a Series B Transaction will be completed pursuant to the terms of the Share Purchase Agreement and the Company will adhere to the Ancillary Agreements.

Series B Transaction

At SPA Closing, the principal amount specified in the applicable Conversion Notice shall be applied in satisfaction of the purchase price for the relevant Series B Preferred Shares, and Quark shall issue to the Company or its Assignee (as the case may be), credited as fully paid, such number of Series B Preferred Shares as shall be calculated by the formula below:

$$\text{Number of Series B Shares} = \text{CNPA/PA*CP}$$

“CNPA” refers to the principal amount specified in the Conversion Notice

“PA” refers to the initial principal amount of the Convertible Promissory Note, being RMB200,000,000

“CP” refers to the Conversion Property, as adjusted pursuant to the Note Purchase Agreement

LETTER FROM THE BOARD

Conditions

The obligations of the Company to consummate SPA Closing are subject to the fulfillment, to the satisfaction of the Company on or prior to SPA Closing, or waiver by the Company, of the following conditions:

- Representations and Warranties : Each of the representations and warranties of the Warrantors contained in the Share Purchase Agreement shall be true, correct and complete when made and remain so on and as of the date of SPA Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true, correct and complete as of such particular date.
- Performance : Each Warrantor shall have performed and complied with all of their agreements, obligations and conditions contained in the Transaction Documents on or before the date of SPA Closing.
- Authorizations : All required consents if any, of any competent governmental authority or of any other Person that are required to be obtained by any Quark Group Company or other Warrantor in connection with the transactions contemplated by the Transaction Documents (including but not limited to those related to the lawful issuance and sale of the Series B Preferred Shares, and any waivers of notice requirements, rights of first refusal, preemptive rights, put or call rights), including necessary board and shareholder approvals of the Quark Group Companies, shall have been obtained and effective as of the date of SPA Closing, and evidence thereof shall have been delivered to the Company.
- Proceedings and documents : All corporate and other proceedings in connection with the transactions to be completed at the date of SPA Closing and all incidental documents, including without limitation written approval from all of the then current holders of equity interests of each Quark Group Company, as applicable, with respect to the Share Purchase Agreement and the other Transaction Documents and the transactions contemplated thereby, shall have been completed in form and substance reasonably satisfactory to the Company, and the Company shall have received all such counterpart original or other copies of such documents as it may reasonably request.
- No Material Adverse Effect : There shall have been no Material Adverse Effect since the date of the Share Purchase Agreement until the date of SPA Closing.

LETTER FROM THE BOARD

- Closing Certificate : The Founders of Quark shall certify to the Company to be dated as of SPA Closing (i) stating that conditions specified for SPA Closing have been fulfilled as of the date of SPA Closing, and (ii) attaching thereto (a) the Charter Documents of the Quark Group Companies as then in effect, (b) copies of all resolutions approved by the shareholders and boards of directors of each Quark Group Company related to the Series B Transaction, and (c) good standing certificates with respect to Quark, and the business licenses of such Quark Group Companies incorporated in the PRC.
- Due Diligence : Due diligence on the Business, legal and financial conditions of Quark and other Quark Group Companies shall have been completed to the satisfaction of the Company in its sole discretion.
- Board of directors : In the case of SPA Closing where the Company has delivered a Conversion Notice in respect of RMB200,000,000 in principal amount of Convertible Promissory Note, the board of directors of Quark shall have been constituted in accordance with the voting agreement. Each Quark Group Company (except Quark) shall have taken all necessary corporate action approving that immediately prior to the date of SPA Closing the board of directors of each Quark Group Company (except Quark) shall consist of the same directors as Quark.
- The obligations of Quark owed to the Company to consummate SPA Closing under the Share Purchase Agreement, unless otherwise waived in writing by Quark, are subject to the fulfillment on or before the date of SPA Closing of each of the following conditions:
- Representations and Warranties : The representations and warranties of the Company or its Assignee as the case may be under the Share Purchase Agreement shall have been true and complete when made and shall remain so as of the date of SPA Closing with the same effect.
- Performance : The Company or its Assignee as the case may be shall have performed and complied with all their covenants, obligations and conditions contained in the Transaction Documents on or before the date of SPA Closing.
- Execution of Transaction Documents : The Company or its Assignee, as the case may be, shall have executed and delivered to Quark a deed of adherence to the Transaction Documents, to which the Company or its Assignee, as the case may be, is a party.
- Conversion Notice : The Company or its Assignee, as the case may be, shall have delivered to Quark a Conversion Notice pursuant to the Note Purchase Agreement specifying the principal amount of Convertible Promissory Note in respect of which the Company or its Assignee (as the case may be) is making an election to conduct a Series B Transaction.

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Rights of Series B Preferred Shareholder

The following table summarises the principal rights of the holder of Series B Preferred Shares pursuant to the Charter Documents of Quark and the Ancillary Agreements which will only be available to the Company upon its conversion into Series B Preferred Shares which will be duly assessed and considered in the future:

- Voting rights : Same as for Series A Preferred Shares, the Series B Preferred Shares carry voting rights equal to such number of Ordinary Shares as convertible on the record date of determination of Quark's members entitled to vote, or if no such record date is established, at the date the vote is to be taken.
- Special rights : Same as for Series A Preferred Shares, the Series B Preferred Shares will be converted into ordinary shares upon completion of Qualified IPO. Together with such conversion, the following special rights, which have been granted to pre-IPO investors, will all be terminated upon completion of Qualified IPO:

Liquidation Preference: Prior and in preference to any distribution of any of the assets or funds of Quark to the holders of any other class or series of shares, the amount equal to the product obtained by multiplying (a) the Series B issue price for the Series B Preferred Share by (b) the sum of (i) one plus (ii) the product obtained by multiplying 0.02 by the number of complete calendar months (no fractional months) that have elapsed from the Series B issue date until the date on which the liquidation event is deemed legally complete or effective under applicable law, plus all accrued or declared but unpaid dividends on such Series B Preferred Share (collectively, the "**Series B Preference Amount**").

If the balance of assets and funds thus distributed among the holders of the Series B Preferred Shares shall be insufficient to permit the payment to such holders of the full Series B Preference Amount, then the balance of assets and funds of Quark legally available for distribution shall be distributed ratably among the holders of the Series B Preferred Shares in proportion to the aggregate Series B Preference Amount each such holder is otherwise entitled to receive.

After the Series B Preference Amount has been fully distributed, the Series A Preferred Shareholders shall be entitled to receive prior and in preference to holders of Ordinary Shares distribution of the balance of assets or funds of Quark.

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Conversion rights: Series B Preferred Shares are convertible into Ordinary Shares with an initial conversion ratio of 1:1 at any time after Series B issue date into such number of fully paid and non-assessable Ordinary Shares as determined by dividing the Series A issue price by the then-effective Series A conversion price and by dividing the Series B issue price by the then-effective Series B conversion price, which is subject to adjustments to be made to preserve the conversion rights against dilution in certain dilutive events.

Pre-emptive right: Holders of Series B Preferred Shares have a pre-emptive right to purchase up to a pro rata share of any new securities that Quark may from time to time issue, other than certain excepted issuances, such as new securities issuance under employee share option plan, conversion of Series A Preferred Shares, Series B Preferred Shares and Qualified IPO and other issuance as agreed among the contracting parties to the investors' rights agreement.

Right of first refusal: If any Founder proposes to transfer any equity securities of or interest in Quark (the “**Offered Shares**”), holder of the Series B Preferred Shares have a right of first refusal to purchase all or any portion of the Offered Shares on the terms and conditions stated in the transfer notice given by the transferor, on a pro rata basis based on their respective shareholding.

Right of co-sale: If holders of Series B Preferred Shares do not exercise their respective rights of first refusal as to all or any of the Offered Shares, they have the right to participate in the sale to the transferee identified in the transfer notice given by the transferor, and on the same terms and conditions as specified therein.

Information and inspection rights: Holders of Series B Preferred Shares have the rights to receive Quark's financial and operation information, annual business and financial plan, and to inspect facilities, properties, records and books of each Quark Group Company.

Director appointment right: For as long as the Company holds any Series B Preferred Shares, it shall have right to designate, appoint, remove, replace and reappoint one (1) director on the board of Quark if the Conversion Property is not more than 30% the total number of Ordinary Shares on a fully diluted, as converted basis immediately following the conversion. If the Conversion Property reached or exceeds 30% of the total number of Ordinary Shares, the Company will be entitled to appoint two (2) directors on the board of Quark. The authorised number of directors on the board of Quark shall be up to five (5) directors.

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Veto rights: Certain corporation actions of Quark require the approval of the Company and the Series A Preferred Shareholders or the director appointed by them. Such actions include, among others, (i) action that creates or issues any class or series of equity securities (ii) purchase, repurchase, redemption or retirement of any equity security of any Quark Group Company; (iii) liquidation, winding up, dissolution or reorganisation of any Quark Group Company; (iv) merger, amalgamation or consolidation of any Quark Group Company; (v) any appointment, change or removal of auditor for any Quark Group Company; (vi) any change to accounting policies or procedures of any Quark Group Company; (vii) any amendment or modification to or waiver of rights under any Transaction Documents; (viii) approval of any remuneration or compensation to any director of any Quark Group Company; and (ix) approval of any appointment, change or removal of the chief executive officer, chief financial officer, chief credit officer, chief risk officer or chief operating officer of any Quark Group Company.

The differences between the rights attached to the Series A Preferred Shares and the Series B Preferred Shares are with the liquidation preference and the director arrangement right. As the Series B investor is putting in new money, new money investor would typically get liquidation preference over Series A investors. The director arrangement right was negotiated by the Company and takes into account the size of the investment as adjusted by any Conversion Price Adjustment.

The special rights set out above apply to the Series A Preferred Shares and are intended to protect the rights of non-management investors, protect against future dilution and provide exit rights. As such, the various rights granted to the Company, if it converts the Convertible Promissory Note into Series B Preferred Shares, reflect the rights which are attached to the Series A Preferred Shares with the addition of liquidation preference and director arrangement right.

After consideration and assessment of the terms of the Convertible Promissory Note, in particular the special rights described above and attached upon conversion into Series B Preferred Shares, the Board is of the view that a partial or full conversion of the Convertible Promissory Note would not result in the Company gaining “de facto control” of Quark. At best, upon full conversion of the Convertible Promissory Note and full Conversion Property adjustment in an extreme scenario, the Company will become a 40% shareholder of Quark.

As the Company (i) may have a maximum holding of 40% interest in Quark and (ii) will, at most, be able to nominate two out of five directors to the board of Quark and hence not possible to control the board, Quark will not become a subsidiary of the Company. Also, upon possible conversion, the Company will not consolidate the financial results of Quark. The investment by the Company in the Convertible Promissory Note will be accounted for as a financial asset under Hong Kong Accounting Standards (“HKAS”) 32 “Financial Instruments: Presentation” and will be recognised and measured in accordance with HKAS 39 “Financial Instruments: Recognition and Measurement”. The Company will treat the Convertible Promissory Note as comprising of two components: (1) a host debt instrument; and (2) an option to convert that host debt instrument into 20% to 40% equity interest (in the form of preference shares) in Quark. The host debt instrument will be initially recognised at fair value and subsequently measured at amortised cost less impairment. The conversion option will be initially recognised and subsequently measured at fair value through profit or loss.

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The Company would not have de facto control of Quark. Expolito Enterprises Limited, wholly-owned by Ms. Jin and an existing 46% Series A Preferred Shareholder will become a 27.60% shareholder of Quark and be able to nominate one out of five directors to the board of Quark upon full conversion of the Convertible Promissory Note and full Conversion Property adjustment in an extreme scenario. Please refer to Section 6 (Information on the Quark Group Companies) below for more detailed shareholding structure of Quark and Section 9 (General) below for more information on Expolito Enterprises Limited.

4. PROVISION OF FINANCIAL ASSISTANCE BY THE CONTROLLING SHAREHOLDER

For the purpose of funding the Company's purchase of the Convertible Promissory Note, the Company and the Controlling Shareholder have entered into the Shareholder Facility on 21 July 2015 (after trading hours) pursuant to which the Controlling Shareholder has agreed to grant to the Company back-to-back financing in the form of an unsecured limited recourse facility in the amount of up to RMB200,000,000 (equivalent to approximately HK\$242,000,000) for a term of three (3) years. The Shareholder Facility shall bear interest at the rate of 3% per annum on the outstanding principal amount from time to time. Interest shall accrue from and including the date of NPA Closing and shall be calculated on the basis of a 365-day year and the actual number of days elapsed. Interest shall be paid annually in arrear on each anniversary of NPA Closing.

Matching that of the Convertible Promissory Note, the outstanding principal amount of the Shareholder Facility shall be repaid in six equal instalments starting from the date of the second anniversary of NPA Closing with the final payment of all the then outstanding principal amount of the Shareholder Facility as set out in Appendix IV to this circular and accrued and unpaid interest being made on the date of the third anniversary from the date of NPA Closing (the "**Maturity Date**"). Notwithstanding any provision herein, the Company and the Controlling Shareholder may extend the Maturity Date upon mutual written consent.

In the event that the Convertible Promissory Note is transferred to a third party before the Maturity Date or conversion, upon receipt of the consideration sum for such transfer by the Company, the Company may repay the then outstanding principal amount in full or in part by delivering a prior written notice to the Controlling Shareholder specifying such the early repayment date, the early repayment principal amount together with all accrued but unpaid interest thereon.

In light of the back-to-back financing arrangement under the Shareholder Facility, if the Company shall convert any of the Convertible Promissory Note, it may deliver a notice to the Controlling Shareholder specifying the principal amount of the Convertible Promissory Note converted (the "**Converted Amount**"). Upon delivery of such notice, a principal amount of the loan equivalent to the Converted Amount, together with all accrued but unpaid interest therein (the principal amount and such interest, together, the "**Rollover Amount**"), shall be deemed to be repaid and the Controlling Shareholder shall be deemed to have advanced a new loan, of a principal amount equivalent to the Rollover Amount (the "**Replacement Loan**"). The Replacement Loan shall be for a term of three (3) years from the date of notice and shall bear interest at a rate of 3% per annum, calculated on the basis of a 365 day year on the actual days elapsed. In substance, this means that the

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acquisition of the Series B Preferred Shares by the Company upon conversion of the Convertible Promissory Note will be funded by the Replacement Loan. The Replacement Loan will constitute a connected transaction under the Listing Rules and the Company will ensure strict compliance with all applicable requirements under the Listing Rules, if required.

Pursuant to the Shareholder Facility, no payments of principal or interest thereon shall be due from the Company unless and until the Company shall have received principal payment and the equivalent payment of interest on principal payment to the Convertible Promissory Note. If any payment of interest or principal payment to the Convertible Promissory Note is not received, the Company shall give written notice to the Controlling Shareholder of such non-payment and the Company's obligation to make payments pursuant to the Shareholder Facility shall be deferred until payment pursuant to the Convertible Promissory Note is received. For the avoidance of doubt, the Company shall not be treated as being in default under the Shareholder Facility by reason of such deferment.

Save except for the Shareholder Facility disclosed above, there are no other agreements or arrangements between the Controlling Shareholder and the Company.

5. INFORMATION ON THE GROUP

A wholly-owned subsidiary of the Company is a licensed money lender in Hong Kong providing mainly short-term mortgage loan financings to corporations and private individuals which are secured against real estate assets in Hong Kong, as well as some unsecured personal loans. In Hong Kong, the Group holds a strong market position, ranking, in 2013, as one of the top ten licensed money lenders in Hong Kong by revenue and value of loans outstanding.

6. INFORMATION ON THE QUARK GROUP COMPANIES

Quark is principally engaged in, through its group companies, non-banking financial services business that leverages information technology and data analytics technology to provide and/or facilitate accumulation, distribution and management of credit in the PRC through peer-to-peer (P2P) financing where individual borrowers and lenders transact directly, trust-to-peer (T2P) financing where trusts, funds or corporations provide financing to individual borrowers, and other scalable business models in the PRC. A range of credit transactions are available on the Quark platform ranging from personal loans to secured lending. Quark, through its group companies, is in the process of launching a mortgage loan financing business in the PRC in relation to loans to be secured by mortgage on the borrowers' real estate.

According to information provided by Quark, the principal business activities of the Quark Group Companies are as follows:

(a) **Quark**

Quark is an exempted company organised under the laws of the Cayman Islands. The principal business activity of Quark is investment holding solely in the HK Company.

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(b) **HK Company**

The principal business activity of the HK Company is investment holding solely in the WFOE.

(c) **WFOE**

The principal business activity of the WFOE is investment management and consulting. The WFOE has entered into a number of contracts as summarised below with the Domestic Company in order for Quark to indirectly own and exercise control over the operations of the Domestic Company and enjoy the economic benefits generated by the Domestic Company (the “**Contractual Arrangements**”). As part of the Contractual Arrangements, the shares of the Domestic Company are secured in favour of the WFOE.

(d) **Domestic Company**

The Domestic Company is owned by PRC nationals including one of the Founders. It is the main operating company in the PRC among the Quark Group Companies. The Domestic Company, as a service provider and matching platform, helps lenders provide short to medium term secured and unsecured loans to individual borrowers. Through its offline network of branches, the Domestic Company receives loan applications, conducts credit assessments of the applicants using its credit management technology, then matches approved applicants to lenders depending on their profile.

Based on information provided by Quark and its legal adviser, the Contractual Arrangements are summarised as follows:

1. ***Loan Agreement***

- | | |
|----------|---|
| Parties: | 1) the WFOE |
| | 2) Shareholders of the Domestic Company (the “ PRC Shareholders ”) |
| Subject: | 1) the WFOE provides loans to the PRC Shareholders (the “ Loan ”), without interest, for the purpose of payment of the registered capital of the Domestic Company and for the increase in the registered capital of the Domestic Company in accordance with their shareholding ratios. |
| | 2) The WFOE may require the PRC Shareholders to pay back the Loan by exercising its rights under the Option Agreement below at any time and in any manner at its sole discretion as permitted under the laws of the PRC. The exercise price of each of the rights under the Option Agreement shall be RMB1. |

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2. *Option Agreement*

- Parties:
- 1) the WFOE
 - 2) the PRC Shareholders
- Subject:
- 1) The PRC Shareholders irrevocably agree, to the extent permitted under the laws of the PRC, to transfer to the WFOE or any person(s) designated by the WFOE at any time and from time to time, all or part of its equity interests in the Domestic Company.
 - 2) The WFOE may exercise its rights under the paragraph above at any time and in any manner at its sole discretion as permitted under the laws of the PRC. The exercise price of each of the rights under the paragraph above shall be equal to the contributions then made by the PRC Shareholders, respectively, to the Domestic Company.
 - 3) The PRC Shareholders undertake that no person(s) other than the WFOE or the person(s) designated by the WFOE, can purchase any share of the Domestic Company or obtain other rights thereof.

3. *Equity Pledge Agreement*

- Parties:
- 1) the WFOE
 - 2) the PRC Shareholders
- Subject:
- The PRC Shareholders agree to pledge all equity interests in the Domestic Company held by the PRC Shareholders (including present registered capital and its rights and benefits and any future registered capital and its rights and benefits acquired or held by the PRC Shareholders in cash or other form) to the WFOE to ensure that the PRC Shareholders perform the obligation under the Loan Agreement, the Option Agreement and the Business Cooperation Agreement.

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4. *Shareholders' Voting Rights Trust Agreement*

- Parties:
- 1) the WFOE
 - 2) the PRC Shareholders
 - 3) the Domestic Company
- Subject:
- The Shareholders irrevocably authorize the WFOE or any person(s) designated by the WFOE to act on its behalf in all matters in relation to its equity interests in the Domestic Company, including attending shareholders' meeting, signing minutes of shareholders' meeting and shareholders' resolutions, nominating and electing directors, proposing to convene interim shareholders' meetings and exercising its full shareholders' voting rights under the articles of association of the Domestic Company.

5. *Business Cooperation Agreement*

- Parties:
- 1) the WFOE
 - 2) the Domestic Company
- Subject:
- 1) The WFOE shall provide business service, like technology service and consulting service to the Domestic Company in regards to financial information technology service, internet technology, marketing consulting and investment management etc.
 - 2) Without the prior written consents of the WFOE, the Domestic Company cannot entrust any other person(s) to provide the same or similar service to it or establish the same or similar cooperation relation with any other person(s).

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According to information provided by Quark, the WFOE has two wholly-owned subsidiaries, namely 上海夸客商務信息服務有限公司 (Shanghai Quark Commercial Information Service Limited) (“**Quark Commercial Information**”) and 上海夸客優富企業管理顧問有限公司 (Shanghai Quark You Fu Enterprise Management Consulting Limited) (“**Quark You Fu**”). Quark Commercial Information was established on 28 May 2015 and has been engaged in referring borrowers to Quark. Quark You Fu was established on 28 May 2015 and has been engaged in recommending lenders to Quark.

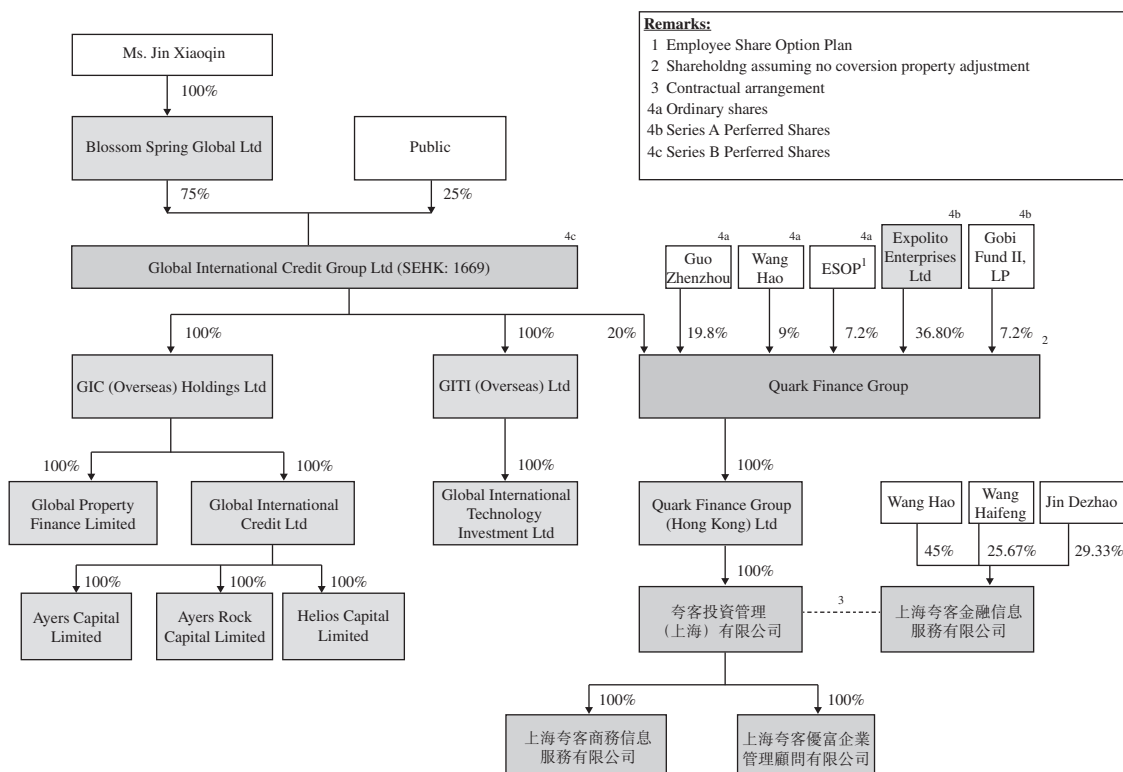
According to information provided by Quark, Mr. Guo Zhenzhou is the chief executive officer and co-founder of Quark. Mr. Wang Hao is the vice-president and co-founder of Quark. Mr. Wang is one of the shareholders of the Domestic Company.

The shareholding structure of Quark is as follows:

Shareholder	As at the date of this circular and immediately before SPA Closing		Immediately after SPA Closing assuming no Conversion Property adjustment and the Convertible Promissory Note is converted in full		Immediately after SPA Closing assuming full Conversion Property adjustment and the Convertible Promissory Note is converted in full	
	Number of Quark Shares	Shareholding percentage (%)	Number of Quark Shares	Shareholding percentage (%)	Number of Quark Shares	Shareholding percentage (%)
<i>Ordinary Shares</i>						
Guo Zhenzhou	33,750,000	24.75%	33,750,000	19.80%	33,750,000	14.85%
Wang Hao	15,340,909	11.25%	15,340,909	9.00%	15,340,909	6.75%
To be issued pursuant to Quark’s employee share option plan	12,272,727	9.00%	12,272,727	7.20%	12,272,727	5.40%
<i>Series A Preferred Shares</i>						
Expolito Enterprises Limited	62,727,273	46.00%	62,727,273	36.80%	62,727,273	27.60%
Gobi Fund II, L.P.	12,272,727	9.00%	12,272,727	7.20%	12,272,727	5.40%
<i>Series B Preferred Shares</i>						
The Company	—	—	34,090,909	20.00%	90,909,091	40.00%
Total	<u>136,363,636</u>	<u>100.00%</u>	<u>170,454,545</u>	<u>100.00%</u>	<u>227,272,727</u>	<u>100.00%</u>

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The structure chart of the Company and the Quark Group Companies immediately after completion of the full conversion of the Convertible Promissory Note to Series B Preferred Shares assuming no Conversion Property adjustment is as follows:



To the best of the Directors' knowledge, information and beliefs, having made all reasonable enquiries, the Founders, and Gobi Fund II, L.P. and its ultimate beneficial owner, are third parties independent of the Company and its connected persons.

As the Company has not at present reached a decision as to whether or not it should convert the Convertible Promissory Note into Series B Preferred Shares, the Company, its legal advisers, its compliance adviser and its financial advisers do not consider the subject transaction, which is solely a Note Transaction with Quark, to fall into the ambit of the Listing Division's Guidance Letter HKEx-GL77-14 in light of the Contractual Arrangements between the WFOE and the Domestic Company as informed by Quark and its PRC legal adviser.

Nevertheless, in the event that the Company considers any conversion of the Convertible Promissory Note, the Company will conduct due diligence review on the Quark Group Companies and will ensure full compliance with the said Guidance Letter and all applicable requirements under the then Listing Rules before any conversion is to take place. **The Company will not convert the Convertible Promissory Note into any Series B Preferred Shares unless all applicable requirements under the then Listing Rules and the then regulatory requirements in the PRC, including Guidance Letter HKEx GL77-14 and the Catalogue for the Guidance of Industries for Foreign Investment (2015 Revision), are fully complied with.**

LETTER FROM THE BOARD

7. REASONS FOR AND BENEFITS OF THE NOTE TRANSACTION AND THE FINANCIAL ASSISTANCE

The Group is principally engaged in the money lending business. While Hong Kong is and continues to be the core base of its operation, in view of the growth opportunities of non-bank financing sector in mainland China, the Group is currently considering expanding its business into this region as part of its long term development plans. The Board, including the independent non-executive Directors, considers that the Note Transaction is in line with the Group's overall strategy, and enables the Group to expand its reach and accelerate its penetration into the market.

The Note Transaction, which will be funded by the Shareholder Facility, enables the Group to realize the interest spread between the 3% per annum and 10% per annum (representing a net interest income of 7% on the principal amount of the Convertible Promissory Note) charged by the Shareholder Facility and the Convertible Promissory Note, respectively. The attached right entitling the Company to elect to conduct a Series B Transaction provides the Group with the flexibility to tap into the non-bank financing sector in mainland China as appropriate. As holder of the Convertible Promissory Note, the Company only has the sole and absolute discretion to elect to exercise the conversion right by delivering a written Conversion Notice to Quark specifying the principal amount of the Convertible Promissory Note in respect of which the election is being made. The Note Transaction does not involve the acquisition of any equity interest in Quark. The Directors are of the view that the Note Transaction will not result in a fundamental change in the principal business activities of the Group.

Based on the following analyses, the Directors are of the view that the Note Transaction will not result in a fundamental change in the principal business activities of the Group:

- (a) No adverse effect on the operation and business of the Group

The Note Transaction would not have any adverse effect on the day to day operation of the Group. The Note Transaction would not take up the existing resources of the Group and the Group will continue to focus on its core business and pursue its business plan as disclosed in the listing document of the Company. The Group will continue to review its business plan from time to time and subject to, among other things, the then business development of the Group, the then economic environment, and the financial resources of the Group, the Group may consider to expand its business in other related business sectors and geographical location.

In respect of the funding of the Note Transaction, as disclosed in the Announcement, the Note Transaction will be financed by the Shareholder Facility. The Board therefore considers that there will not be any adverse impact on the financial position of the Group as a result of the Note Transaction. As further disclosed in the Announcement, the Company does not need to repay the Shareholder Facility unless and until the Company shall receive payment from Quark. The Board therefore considers that the default risk associated with the Note Transaction is mitigated and there is no change in the intended use of proceeds from the public offering as disclosed in the listing document of the Company.

LETTER FROM THE BOARD

In addition, as the Convertible Promissory Note carries interest at the rate of 10% per annum, the Company considers that the Note Transaction with Quark could provide an additional and stable income stream to the Company. The Note Transaction could enhance the profitability of the Group and is in the interest of the Company and Shareholders as a whole.

(b) Comparison between principal business of the Group and the Quark Group Companies

The Group is principally engaged in the provision of non-banking financial services by way of (i) mortgage loan financings to corporations and private individuals which are secured against real estate assets in Hong Kong; and (ii) unsecured personal loans.

Based on discussions with and information provided by the management of Quark and its PRC legal adviser, Quark's business model is as follows:

- The Quark Group Companies, as service provider and matching platform, help lenders provide short to medium term secured and unsecured loans to individual borrowers. Through network of branches, Quark receives loan applications, conducts credit assessments of the applicants using its credit management technology, then matches approved applicants to lenders depending on their profile.
- Quark is in the process of launching a mortgage loan financing business in the PRC in relation to loans to be secured by mortgage on the borrowers' real estate. This business segment to be launched will be similar to the principal business of the Group.

Having considered Quark's business as described above, the Company considers the business of the Quark Group Companies and the Company to be similar and there will be synergy in the business of the Quark Group Companies and the Company.

(c) Size of the Note Transaction is not very substantial compared to the sphere of activity of the Company

As at 31 December 2014, the Group's total assets amounted to approximately HK\$900 million. As the funding of the Note Transaction will be made solely by the Shareholder Facility, the principal amount of the Convertible Promissory Notes of approximately HK\$242 million (using exchange rate of RMB1=HK\$1.21) would account for approximately 21.2% of the enlarged total assets of the Group upon completion of the Note Transaction.

Based on the size tests previously submitted to the Stock Exchange, the consideration ratio and the revenue ratio are also lower than 25%. The highest percentage ratio among the size tests is the profit ratio of 57.3% calculated based on the interest income to be generated from the Note Transaction (without any deduction such as cost of borrowing or related professional fees) and the profit before taxation of the Group. The Directors do not consider the size of the subject transaction would lead to a fundamental change in the principal business activities of the Group.

LETTER FROM THE BOARD

Nevertheless, subject to further due diligence and assessment, the Company will consider any investment into Quark if it is in accordance with the then development plan of the Company at the time.

Completion of the Series B Transaction, i.e. the conversion of the Convertible Promissory Note into Series B Preferred Shares, is subject to the terms and conditions of the Share Purchase Agreement, including satisfaction of a due diligence review to be performed by the Company. At SPA Closing, the principal amount specified in the Conversion Notice will be applied in satisfaction of the purchase price for the Series B Preferred Shares and Quark shall issue such number of Series B Preferred Shares to the Company or its Assignee (as the case may be).

The terms of the Transaction Documents and the Financial Assistance including the interest rate were determined with reference to the commercial practice and the range of interest rate charged by other companies engaging in similar business in the PRC. The Board, including the independent non-executive Directors, considers that the Transaction Documents and the Financial Assistance were entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

Since the terms of the Transaction Documents reflect the normal commercial terms of transactions of this nature, and can provide the Group with stable revenue and cashflow stream from the interest and the right to elect to conduct a Series B Transaction, the Board, including the independent non-executive Directors, considers that they are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

8. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Note Transaction exceed 25% but are less than 100%, the Note Transaction constitutes a major transaction of the Company under the Listing Rules and will be subject to the requirements of reporting, announcement and approval by the Shareholders.

Subject to the then financial performance of the Quark Group Companies and before any future decision to convert the Convertible Promissory Note into Series B Preferred Shares is made, the Board will consider all applicable circumstances including due diligence findings to assess the merits of conversion of the Convertible Promissory Note (including but not limited to reasons for and basis of the conversion, conversion mechanism and adjustments, amount to be converted) at the material time. Upon deciding to convert, the Company will comply with all applicable requirements including Shareholders' approval (if required) under the Listing Rules.

The Financial Assistance provided under the Shareholder Facility constitutes a connected transaction under the Listing Rules. As the Financial Assistance is provided by a connected person for the benefit of the Company on normal commercial terms or better to the Company by the fact that no payments shall be due from the Company to the Controlling Shareholder unless and until the Company shall have received principal payment and the equivalent payment of interest on principal payment to

LETTER FROM THE BOARD

the Convertible Promissory Note from Quark and where no security over the assets of the Company is granted in respect of the Financial Assistance, pursuant to Rule 14A.73 of the Listing Rules, the Shareholder Facility is exempted from reporting and announcement requirements, and the Independent Shareholders' approval.

9. GENERAL

Ms. Jin is the sole ultimate and beneficial owner of the entire issued share capital of Expolito Enterprises Limited which in turn is an existing Series A Preferred Shareholder and holder of 46% interests in Quark. Ms. Jin is also the ultimate beneficial owner of the entire issued share capital of the Controlling Shareholder, an executive Director, and mother of Ms. Wang Yao, an executive Director. Ms. Jin is deemed to be interested in all the Shares held by the Controlling Shareholder for the purposes of the SFO. Ms. Jin and Expolito Enterprises Limited, Quark, the HK Company, the WFOE, the Domestic Company, Quark Commercial Information and Quark You Fu therefore are connected persons of the Company under the Listing Rules. Accordingly, the Note Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements and the approval by the Independent Shareholders at the EGM by way of poll. Ms. Jin and Ms. Wang Yao have abstained from voting on the Board resolutions to approve the Note Purchase Agreement and the Note Transaction contemplated therein.

The Controlling Shareholder and its associates will be required to abstain from voting in respect of the resolutions to be proposed at the EGM for approving the Note Purchase Agreement and the Note Transaction contemplated therein. The Independent Board Committee comprising Mr. Chan Chi On (alias Derek Chan), Dr. Ng Lai Man, Carmen, and Mr. Tang, Warren Louis, all being the independent non-executive Directors, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the Note Purchase Agreement and the Note Transaction contemplated therein. The Independent Financial Adviser has been appointed to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the same.

10. THE EGM

A notice convening the EGM to be held at Unit A, 29/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong, at 3 p.m. on Wednesday, 11 November 2015 is set out on pages 60 to 61 of this circular. An ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve, inter alia, the Note Purchase Agreement and the Note Transaction contemplated therein.

A form of proxy for use at the EGM is accompanied with this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting (as the case may be) should you so wish. In such event, the instrument appointment a proxy shall be deemed revoked.

LETTER FROM THE BOARD

11. RECOMMENDATION

Your attention is drawn to:

- (i) the letter from the Independent Board Committee set out on pages 36 of this circular which contains its recommendation to the Independent Shareholders; and
- (ii) the letter from the Independent Financial Adviser set out on pages 37 to 45 of this circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the Note Purchase Agreement and the Note Transaction contemplated therein was entered into in the ordinary and usual course of business of the Group and the terms of the Note Purchase Agreement and the Note Transaction contemplated therein were agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at EGM. The Board considers that Note Purchase Agreement and the Note Transaction contemplated therein were entered into on the ordinary and usual course of business of the Group and the terms of Note Purchase Agreement and the Note Transaction contemplated therein were agreed on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to approve Note Purchase Agreement and the Note Transaction contemplated therein at the EGM.

12. ADDITIONAL INFORMATION

Your attention is drawn to the information contained in Appendices I to V to this circular.

Yours faithfully
By order of the Board
Global International Credit Group Limited
Wang Yao
Chairman and Chief Executive

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



GLOBAL INTERNATIONAL CREDIT GROUP LIMITED

環球信貸集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1669)

26 October 2015

To the Independent Shareholders

Dear Sir or Madam,

**MAJOR AND CONNECTED TRANSACTION IN RELATION TO
A NOTE PURCHASE AGREEMENT**

We refer to the circular dated 26 October 2015 issued by the Company to its Shareholders (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We have been appointed by the Board as the members of the Independent Board Committee, to advise the Independent Shareholders as to whether, in our opinion, the entering into the Note Purchase Agreement and the Note Transaction contemplated therein are in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Independent Shareholders are concerned. None of the members of the Independent Board Committee have any direct or indirect interest in the Note Purchase Agreement.

In addition, the Independent Financial Adviser has been appointed as independent financial adviser to advise the Independent Board Committee and Independent Shareholders in respect of the Note Purchase Agreement and the Note Transaction contemplated therein. Details of its advice, together with the principal factors taken into consideration in arriving at such, are set out in its letter set out on pages 37 to 45 of the Circular. Your attention is also drawn to the letter from the Board set out on pages 8 to 35 of the Circular and the general information set out in the Appendix V.

Having considered the terms of the Note Purchase Agreement and the advice of the Independent Financial Adviser, we are of the opinion that the Note Purchase Agreement and the Note Transaction contemplated therein are on normal commercial terms and in the ordinary and usual course of business of the Group, and the Note Transaction is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the Note Purchase Agreement and the Note Transaction contemplated therein to be proposed at the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Chan Chi On
(alias Derek Chan)

Dr. Ng Lai Man, Carmen

Mr. Tang, Warren Louis

Independent Non-Executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



Suite 2608-2611 Citibank Tower
Citibank Plaza, 3 Garden Road
Hong Kong

26 October 2015

*To the Independent Board Committee and
the Independent Shareholders*

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO A NOTE PURCHASE AGREEMENT

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Note Transaction, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company (the “**Circular**”) to the Shareholders dated 26 October 2015, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 21 July 2015, the Board announced that on even date the Company entered into (i) the conditional Note Purchase Agreement with Quark and the Founders in respect of the purchase of the Convertible Promissory Note; and (ii) the conditional Share Purchase Agreement with Quark, the HK Company, the WFOE, the Domestic Company, the Founders, Expolito Enterprises Limited and Gobi Fund II, L.P. in respect of the purchase of the Series B Preferred Shares. On 28 August 2015, the Board further announced to provide the Shareholders with further information of, among others, the Quark Group Companies.

For the purpose of funding the Company’s purchase of the Convertible Promissory Note, the Company and the Controlling Shareholder entered into the Shareholder Facility on 21 July 2015.

As stated in the Letter from the Board, the Company will comply with all applicable requirements including Shareholders’ approval (if required) under the Listing Rules upon it deciding to convert the Convertible Promissory Note into Series B Preferred Shares.

As one or more of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) in relation to the Note Transaction exceed 25% but are less than 100%, the Note Transaction constitutes a major transaction of the Company under the Listing Rules and will be subject to the requirements of reporting, announcement and approval by the Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Ms. Jin is the sole ultimate and beneficial owner of the entire issued share capital of Expolito Enterprises Limited which in turn is an existing Series A Preferred Shareholder and holder of 46% interests in Quark. Ms. Jin is also the ultimate beneficial owner of the entire issued share capital of the Controlling Shareholder, an executive Director, and mother of Ms. Wang Yao, an executive Director. Ms. Jin is deemed to be interested in all the Shares held by the Controlling Shareholder for the purposes of the SFO. Ms. Jin and Expolito Enterprises Limited, Quark, the HK Company, the WFOE, the Domestic Company, Quark Commercial Information and Quark You Fu therefore are connected persons of the Company under the Listing Rules. Accordingly, the Note Transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements and the approval by the Independent Shareholders at the EGM by way of poll. Ms. Jin and Ms. Wang Yao have abstained from the voting on the Board resolutions to approve the Note Purchase Agreement and the Note Transaction contemplated therein.

The Independent Board Committee comprising Mr. Chan Chi On (alias Derek Chan), Dr. Ng Lai Man, Carmen and Mr. Tang, Warren Louis, all being the independent non-executive Directors, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the Note Purchase Agreement and the Note Transaction contemplated therein.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have declared in a responsibility statement set out in Appendix V to the Circular that they collectively and individually accept full responsibility, including 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 the 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 in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information, including the Note Purchase Agreement, the prospectus of the Company dated 28 November 2014, the annual report of the Company for the year ended 31 December 2014 and the interim report for the six months ended 30 June 2015, to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, Quark or any of their respective subsidiaries or associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in relation to the Note Transaction, we have considered the following principal factors and reasons:

1. Background, reasons for and benefits of the Note Transaction

On 21 July 2015, the Company, the Founders and Quark entered into the conditional Note Purchase Agreement, pursuant to which Quark agrees to sell and issue to the Company, and the Company agrees to purchase from Quark, the Convertible Promissory Note in the principal amount of RMB200,000,000 or its equivalent, at a consideration equal to such principal amount, convertible into fully paid Series B Preferred Shares of Quark.

As disclosed in the Letter from the Board, Quark is principally engaged in, through its group companies, non-banking financial services business that leverages information technology and data analytics technology to provide and/or facilitate accumulation, distribution and management of credit in the PRC through peer-to-peer (P2P) financing where individual borrowers and lenders transact directly, trust-to-peer (T2P) financing where trusts, funds or corporations provide financing to individual borrowers, and other scalable business models in accordance with applicable PRC laws. A range of credit transactions are available on the Quark platform ranging from personal loans to secured lending. Quark is in the process of launching a mortgage loan financing business in the PRC in relation to loans to be secured by mortgage on the borrowers' real estate. For details of the Quark Group Companies, please refer to the Letter from the Board.

The Group is principally engaged in the money lending business focusing primarily on providing short-term property mortgage loans to customers to meet their financial needs. In Hong Kong, the Group holds a strong market position, ranking third in 2013 in terms of value of outstanding mortgage loans and revenue, with a market share of approximately 7.3%. As stated in the Letter from the Board, while Hong Kong is and continues to be the core base of its operation, in view of the growth opportunities in the non-bank financing sector in mainland China, the Group is currently considering expanding its business into this region as part of its long term development plans, and the Board considers that the Note Transaction is in line with the Group's overall strategy and enables the Group to expand its reach and accelerate its penetration into the market.

The Note Transaction will be fully funded by the Shareholder Facility at an interest rate of 3% per annum, and hence will provide the Group with a stable revenue and cashflow stream from the interest spread (the "**Interest Spread**") between the 3% per annum charged under the Shareholder Facility and the 10% per annum charged under the Convertible Promissory Note. Also, under the Shareholder Facility, no payments of principal or interest thereon shall be due from the Company unless and until the Company shall have received principal payment and the equivalent payment of interest on principal payment to the Convertible Promissory Note.

The attached right entitling the Company to elect to conduct the Series B Transaction will also provide the Group with the opportunity to tap into the non-bank financing sector in mainland China as appropriate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account the above, in particular, (i) the Note Transaction is in line with the Group's business strategy; (ii) the Note Transaction will provide the Group with a stable revenue and cashflow stream from the Interest Spread; (iii) the Note Transaction will provide the Group with the opportunity to tap into the non-bank financing sector in mainland China; and (iv) the principal terms of the Note Purchase Agreement are fair and reasonable (as elaborated below), we consider that the entering into of the Note Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

2. Principal terms of the Note Purchase Agreement

(a) Principal terms of the Convertible Promissory Note

Issuer	:	Quark
Principal amount	:	RMB200,000,000 or its equivalent
Maturity date	:	Unless the outstanding principal amount of the Convertible Promissory Note is otherwise converted into Series B Preferred Shares, the outstanding principal amount of such note shall be repaid in six equal instalments starting from the date of the second anniversary of Completion with the final payment of all the then outstanding principal amount of the Convertible Promissory Note as set out in Appendix IV to the Circular and accrued and unpaid interest being made on the date of the third anniversary from the date of Completion (the " Maturity Date "). Quark and the Company may extend the Maturity Date upon mutual written consent.
Security	:	Repayment of the Convertible Promissory Note would be secured by a first priority security interest in collateral consisting of 100% of the outstanding shares in the HK Company (the " Pledged Shares "), which holds the entire registered capital of the WFOE (which in turn has contractual arrangements with the Domestic Company).
Interest	:	The Convertible Promissory Note shall bear interest at the rate of 10% per annum on the outstanding principal amount from time to time. Interest shall be paid annually in arrears on each anniversary of NPA Closing.
Prepayment	:	No Convertible Promissory Note may be prepaid without the prior written consent of the holder thereof.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Right to elect to conduct Series B Transaction : Subject to compliance with the Listing Rules requirements upon any decision to convert, the Company, as the holder of the Convertible Promissory Note, shall be entitled to convert the Convertible Promissory Note into 20% (minimum) to 40% (maximum) of the total number of ordinary shares of Quark on a fully diluted as converted basis immediately following the conversion if all of the principal amount of the Convertible Promissory Note is converted into fully paid Series B Preferred Shares, depending on the achievement of the Performance Indicators. Depending on the interests in Quark to be held by the Company after the aforesaid conversion, the Company may appoint up to two directors on the board of Quark.

For details of the Series B Transaction, please refer to the section headed “Principal terms of the Convertible Promissory Note” in the Letter from the Board.

Ranking : The Convertible Promissory Note will constitute a direct, unsubordinated, unconditional, secured obligations of Quark which will at all times rank *pari passu* without any preference or priority among the holders of the Convertible Promissory Note and at least *pari passu* with all other present and future unsubordinated obligations of Quark, save for obligations which may be preferred by provisions of law.

Transferability : Subject to compliance with all applicable Laws, the holder of the Convertible Promissory Note shall be entitled to transfer all or part of the principal amount of the Convertible Promissory Note to any third party upon prior written consent of Quark, provided that the holder of the Convertible Promissory Note shall be entitled to transfer all or part of the principal amount of the Convertible Promissory Note to any of its affiliates without such consent.

(b) Conditions

Completion is conditional upon, among others, approval of the Note Transaction by the Independent Shareholders. Please refer to the section headed “Conditions” in the Letter from the Board for details of all the conditions for Completion.

As at the Latest Practicable Date and as at the date of the Circular, none of the conditions have been satisfied or waived.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(c) Events of default

All amounts outstanding under the Convertible Promissory Note shall become immediately due and payable upon occurrence of any event of default customarily for similar transaction including, but not limited to, failure to make payment of amount under the Convertible Promissory Note when due, breach of representation, warranty or covenant, failure to complete a Series B Transaction following delivery of a Conversion Notice, filing of a petition or commencement of any proceeding against any Warrantor under any reorganization, bankruptcy, insolvency, or liquidation law, and occurrence of a Material Adverse Effect.

(d) Use of proceeds

Unless otherwise agreed by the Company, Quark shall use the proceeds from the sale and issuance of the Convertible Promissory Note solely for general working capital and/or contributed registered capital of the Quark Group Companies.

Our analysis

Our analysis on the fairness and reasonableness of the principal terms (namely interest rate and maturity period) of the Convertible Promissory Note to be purchased under the Note Purchase Agreement is set out below.

Interest rate

The Convertible Promissory Note carries an interest rate of 10% per annum. Given that (i) the Note Transaction will provide the Group with a stable revenue and cashflow stream from the Interest Spread of 7% per annum as mentioned above; (ii) the purchase of the Convertible Promissory Note by the Company will be funded by the Shareholder Facility granted by the Controlling Shareholder, instead of using the Group's internal resources; and (iii) under the Shareholder Facility, no payments shall be due from the Company to the Controlling Shareholder unless and until the Company shall have received principal payment and the equivalent payment of interest on principal payment to the Convertible Promissory Note, ensuring the Company is subject to minimal credit risk, we are of the view that the interest rate of the Convertible Promissory Note is commercially to the benefit of the Company.

As advised by the Company, there has been no other convertible promissory note transaction conducted by the Group with independent third parties using same or similar structure with the Note Transaction during the four years ended 31 December 2014, representing the three full financial years covered by the track record period as disclosed in the prospectus of the Company dated 28 November 2014 and the latest full financial year ended 31 December 2014, and thus there are no comparable transactions for comparison purpose.

Given that the Convertible Promissory Note will be fully funded by the Shareholder Facility and the Company will not need to repay the Shareholder Facility unless and until it has received principal and interest payment on the Convertible Promissory Note from Quark, there is no cash outlay to the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company in purchasing the Convertible Promissory Note and the risk related thereto is minimal. Nevertheless, the Company will receive interest income from the Convertible Promissory Note at the rate of 10% per annum which translates into a stable revenue from the Interest Spread of 7% per annum after deducting the interest rate of 3% per annum charged under the Shareholder Facility.

In the view of the above, we are of the view that the interest rate of the Convertible Promissory Note is in the interests of the Company and the Shareholders as a whole.

Maturity period

As stated above, there are no comparable transactions for comparison purpose. We have discussed with the Company to understand the principal factors taken into account for determination of maturity period of a loan product/financing facility, and were advised that the maturity periods of the Group's loan products were generally proposed by borrowers and then the Group assessed the proposed maturity period based on borrowers' credibility and repayment ability. The Company further advised that the maturity period of the Convertible Promissory Note, being three years, was determined based on the same approach.

Security for the repayment of the Convertible Promissory Note

Repayment of the Convertible Promissory Note would be secured by a first priority security interest in collateral consisting of the Pledged Shares.

Pursuant to the Note Purchase Agreement, the failure to make any payment of the principal amount of the Convertible Promissory Note or interest when due is an event of default. Upon the occurrence and during the continuation of such event of default, the holder of the Convertible Promissory Note may declare the unpaid principal amount of such Convertible Promissory Note and all such other amounts thereon (including without limitation the accrued and unpaid interest) immediately due and payable (i.e. payment is accelerated). The holder of the Convertible Promissory Note may, in its sole discretion, proceed to enforce all other rights and remedies available to it if the due but unpaid amounts have not been paid within ten (10) Business Days after such declaration is made by the holder of the Convertible Promissory Note. Pursuant to the share charge and security agreement entered into by Quark in favour of the Company, the Company has the right and privileges of a record holder of the Pledged Shares including, without limitation, the right to sell, transfer, or otherwise dispose of the Pledged Shares and to retain and/or to collect any and all proceeds. We are of the view that the security for the repayment of the Convertible Promissory Note is fair and reasonable and in the interests of the Company.

The Company considers that this security was not vital to the Board's consideration of the default risk of the Note Transaction as the Company does not have to repay the Shareholder Facility unless and until the Company receives payment from Quark.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Letter from the Board, if the Company decides to exercise its rights over the Pledged Shares and acquire the equity interest thereof, such action will constitute a transaction under Chapters 14 and 14A of the Listing Rules and the Company will ensure strict compliance with all applicable requirements under the Listing Rules and the then regulatory requirements in the PRC, including Guidance Letter HKEx GL77-14, if the aforesaid acquisition materialises.

Right to elect to conduct the Series B Transaction

The Company, as the holder of the Convertible Promissory Note, is entitled to elect to conduct the Series B Transaction during a given period.

As stated in the Letter from the Board, the Board will consider all applicable circumstances including due diligence findings to assess the merits of conversion of the Convertible Promissory Note (including but not limited to reasons for and basis of the conversion, conversion mechanism and adjustments, and amount to be converted) at the material time, subject to the then financial performance of the Quark Group Companies and before any future decision to convert the Convertible Promissory Note into Series B Preferred Shares is made. Upon deciding to convert, the Company will comply with all applicable requirements including Shareholders' approval (if required) under the Listing Rules.

As the attached right entitling the Company to elect to conduct the Series B Transaction will provide the Group with the opportunity to tap into the non-bank financing sector in mainland China as and when appropriate, we are of the view that such right granted to the Company is in the interests of the Company.

It is noted from the Letter from the Board that the Company will not convert the Convertible Promissory Note into any Series B Preferred Shares unless all applicable requirements under the then Listing Rules and the then regulatory requirements in the PRC, including Guidance Letter HKEx GL77-14 and the Catalogue for the Guidance of Industries for Foreign Investment (2015 Revision), are fully complied with. Despite of the above, we consider that the entering into the Note Purchase Agreement is in the interests of the Company in light of the stable revenue and cashflow stream from the Interest Spread of 7% per annum with no cash outlay and at minimal credit risk as analyzed above.

3. Provision of the Financial Assistance by the Controlling Shareholder to fund the purchase of the Convertible Promissory Note

For the purpose of funding the Company's purchase of the Convertible Promissory Note, the Company and the Controlling Shareholder entered into the Shareholder Facility on 21 July 2015 (after trading hours), pursuant to which the Controlling Shareholder has agreed to grant to the Company back-to-back financing in the form of an unsecured limited recourse facility in the amount of up to RMB200,000,000 (equivalent to approximately HK\$242,000,000) for a term of three years. The Shareholder Facility shall bear interest at the rate of 3% per annum on the outstanding principal amount from time to time. Pursuant to the Shareholder Facility, no payments shall be due from the Company unless and until the Company shall have received principal payment and the equivalent payment of interest on principal payment to the Convertible Promissory Note. If any payment of interest or principal payment to the Convertible Promissory Note is not received, the Company shall

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

give written notice to the Controlling Shareholder of such non-payment and the Company's obligation to make payments pursuant to the Shareholder Facility shall be deferred until payment pursuant to the Convertible Promissory Note is received. For the avoidance of doubt, the Company shall not be treated as being in default under the Shareholder Facility by reason of such deferment. Details of the Financial Assistance by the Controlling Shareholder are set out under the section headed "4. Provision of Financial Assistance by the Controlling Shareholder" in the Letter from the Board.

As mentioned above, such Shareholder Facility would allow the Company to purchase the Convertible Promissory Note without cash outlay and at minimal credit risk related thereto. We also note that the interest rate of 3% per annum under the Shareholder Facility is lower than the Group's weighted average effective interest rate on secured other borrowings during the six months ended 30 June 2015 of approximately 7.2% as disclosed in the interim results of the Company for the six months ended 30 June 2015.

CONCLUSION AND RECOMMENDATION

Based on the above principal factors and reasons, in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

- (i) there is no cash outlay for the Company in purchasing the Convertible Promissory Note and the risk related thereto is minimal as the Convertible Promissory Note will be fully funded by the Shareholder Facility and the Company will not need to repay the Shareholder Facility unless and until it has received principal and interest payment on the Convertible Promissory Note from Quark; and
- (ii) the Note Transaction will provide the Group with a stable revenue and cashflow stream from the Interest Spread of 7% per annum,

we are of the opinion that (i) the Note Transaction 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 (ii) the terms of the Note Purchase Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Note Purchase Agreement and the Note Transaction, and we further recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,

For and on behalf of

BOSC International Company Limited

Heidi Cheng

*Managing Director
Investment Banking*

Lily Li

*Associate Director
Investment Banking*

1. FINANCIAL INFORMATION OF THE GROUP

Details of the published financial information of the Group for each of the three financial years ended 31 December 2012, 31 December 2013 and 31 December 2014 are disclosed in the prospectus of the Company dated 28 November 2014 and annual report of the Company for the financial year ended 31 December 2014 respectively, all of which have been published on the websites of the Stock Exchange and the Company at <http://www.hkexnews.hk/listedco/listconews/SEHK/2014/1128/LTN20141128023.pdf>, <http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0427/LTN20150427545.pdf>, <http://gicl.com.hk/en/prospectus/> and <http://gicl.com.hk/en/financial-reports/>.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 August 2015, being the most recent practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

	HK\$'000
Other borrowings	<u>351,632</u>

The Group's bank and other borrowings represent borrowings from two licensed money lenders and on licensed bank and are used on expansion of mortgage loan portfolio and other general corporate purposes.

Other borrowing of HK\$315,667,000 was repayable on demand and secured by (i) selected properties mortgaged to the Company for securing loans granted to its customers with fair value of these selected properties of approximately HK\$775,830,000; and (ii) a corporate guarantee provided by the Company.

Other borrowing of HK\$5,000,000 was repayable within 12 months and secured by a corporate guarantee provided by the Company.

Bank borrowing of HK\$30,965,000 was repayable on demand and secured by a pledged deposit of HK\$30,965,000.

Having considered the Group's relationship with the licensed money lenders and the licensed bank, their past lending practice and existing terms of the bank and other borrowings, the Directors are of the view that the risk of bank and other borrowings being requested to be repaid on demand is remote.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, as at the close of business on 31 August 2015, the Group did not have any loan capital issued and outstanding or agreed to be issued, term loans, bank overdrafts, liabilities under acceptances or acceptable credits, loans and other similar indebtedness, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, in the absence of any unforeseen circumstances and after taking into account the Group's internal resources and presently available banking facilities; the Group will have sufficient working capital for its present requirements for at least 12 months from the Latest Practicable Date.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

As stated in the annual report of the Company for the year ended 31 December 2014, after the successful listing on the Stock Exchange, the Group has continued to develop its sound foundation in the money lending business in Hong Kong. It has delivered solid results for the year ended 31 December 2014, generating a full year interest income of approximately HK\$107.8 million from an aggregated loan portfolio value of approximately HK\$700.3 million. During the six months period ended 30 June 2015, it has recorded promising operating results by increasing the profit attributable to Shareholders from HK\$12.1 million to HK\$25.5 million.

While Hong Kong continues to be the core base of the Group's operation, in view of the growth opportunities in the non-bank financing sector in mainland China, the Group has considered the expansion into this region as part of its long term strategic development, and to diversify the market risk from the Hong Kong property mortgage market.

Referring to the Announcement, the Company has entered into the Note Purchase Agreement to purchase the Convertible Promissory Note from Quark in the principal amount of RMB200,000,000 or its equivalent, at a consideration equal to such principal amount, convertible into the fully paid Series B Preferred Shares. The Convertible Promissory Note shall bear interest at the rate of 10% per annum on the outstanding principal amount from time to time.

The Company and its controlling shareholder have also entered into a Shareholder Facility pursuant to which the controlling shareholder has agreed to grant to the Company an unsecured facility in the amount of up to RMB200,000,000 (equivalent to approximately HK\$242,000,000) for a term of three years. The Shareholder Facility shall bear interest at the rate of 3% per annum on the outstanding principal amount from time to time.

The Directors consider that the Note Transaction is in line with the Group's overall strategy, and enables the Group to expand its reach and accelerate its penetration into the mainland market. The Shareholder Facility also enables the Group to realise the interest spread between 3% per annum charged by the Shareholder Facility and 10% per annum by the Convertible Promissory Note. The Directors are of the view that there will be a positive impact on the Group's profit and cashflow effected from the 7% interest spread.

Although the business environment is challenging in the view of possible raise of interest rates in second half of the financial year, the Directors still hold positive view in the Group's money lending business with the continuing strong demand of loans in Hong Kong. The Group believes that it can remain highly competitive in the property mortgage loan market by continuing to channel more resources in advertising and enhancing brand image and awareness. The Group also expects to improve its profitability with the success of the launch of online loan products in the second half of the financial year, which is currently at the stage of exploration.

Looking forward, the Group will keep developing itself into a leading money lender service provider in Hong Kong and, at the same time, taking advantage of China's booming peer-to-peer market, expand its business segments geographically in order to further enhance the Group's profits and shareholders' return.

Pursuant to the Note Purchase Agreement, the Performance Indicators and Targets are set out below:

Performance Indicators	Targets
Total outstanding balance of the amount borrowed via the platform (“ Total Outstanding Balance of the Amount ”) of the Domestic Company as at 31 December 2015 (“ Indicator A ”)	On or above RMB 4,400 million
Net profit for the calendar year of 2015 (“ Indicator B ”)	On or above RMB 15 million
Total Outstanding Balance of the Amount turned more than 180 days past due of calendar year of 2015 (“ Indicator C ”)	Not exceeding 5% of the Total Outstanding Balance of the Amount as at 31 December 2015
Effective cost of funding for the calendar year of 2015 (“ Indicator D ”)	Not exceeding 14%
Risk compensation fund as at 31 December 2015 (“ Indicator E ”)	Not exceeding 6% of the total balance of the amount borrowed via the platform (“ Total Balance of the Amount ”) for the calendar year of 2015
Monthly productivity of the Wealth Management for the calendar year of 2015 (“ Indicator F ”)	Not below RMB 400,000 per sales person employed by any Group Company
Average amount borrowed via the platform by per borrower as at 31 December 2015 (“ Indicator G ”)	Not more than RMB 100,000 for unsecured amount, not more than RMB200,000 for car related business
Distribution of business by location as at 31 December 2015 (“ Indicator H ”)	Not more than 15% of the Total Balance of the Amount from any single city

APPENDIX III ADJUSTED SHAREHOLDING PERCENTAGE IN QUARK

Pursuant to the Note Purchase Agreement, if any of the Targets is not achieved, the Conversion Property will be adjusted as follows based on the aggregation of all eight adjusted shareholding percentage in Quark, corresponding to the actual achievements of the Performance Indicators:

Actual Achievements		Adjusted Shareholding Percentage in Quark (on an as converted basis) (“Original Adjusted Shareholding Percentage”)
Indicator A	Below RMB 2,000 million	5% ⁽¹⁾
	On or above RMB 2,000 million, and below RMB 2,800 million	4.375% ⁽¹⁾
	On or above RMB 2,800 million, and below RMB 3,600 million	3.75% ⁽¹⁾
	On or above RMB 3,600 million, and below RMB 4,400 million	3.125% ⁽¹⁾
	On or above RMB 4,400 million (Target)	2.5% ⁽¹⁾
Indicator B	Below RMB 12 million	5% ⁽¹⁾
	On or above RMB 12 million, and below RMB 13 million	4.375% ⁽¹⁾
	On or above RMB 13 million, and below RMB 14 million	3.75% ⁽¹⁾
	On or above RMB 14 million, and below RMB 15 million	3.125% ⁽¹⁾
	On or above RMB 15 million (Target)	2.5% ⁽¹⁾
Indicator C	More than 8% of the Total Outstanding Balance of the Amount as at 31 December 2015	5% ⁽¹⁾
	More than 7%, but not exceeding 8% of Total Outstanding Balance of the Amount as at 31 December 2015	4.375% ⁽¹⁾
	More than 6%, but not exceeding 7% of the Total Outstanding Balance of the Amount as at 31 December 2015	3.75% ⁽¹⁾
	More than 5%, but not exceeding 6% of the Total Outstanding Balance of the Amount as at 31 December 2015	3.125% ⁽¹⁾
	Not exceeding 5% of the Total Outstanding Balance of the Amount as at 31 December 2015 (Target)	2.5% ⁽¹⁾
Indicator D	More than 17%	5% ⁽¹⁾
	More than 16%, but not exceeding 17%	4.375% ⁽¹⁾

APPENDIX III ADJUSTED SHAREHOLDING PERCENTAGE IN QUARK

Actual Achievements		Adjusted Shareholding Percentage in Quark (on an as converted basis) (“Original Adjusted Shareholding Percentage”)
	More than 15%, but not exceeding 16%	3.75% ⁽¹⁾
	More than 14%, but not exceeding 15%	3.125% ⁽¹⁾
	Not exceeding 14% (Target)	2.5% ⁽¹⁾
Indicator E	More than 9% of the Total Balance of the Amount for the calendar year of 2015	5% ⁽¹⁾
	More than 8%, but not exceeding 9% of the Total Balance of the Amount for the calendar year of 2015	4.375% ⁽¹⁾
	More than 7%, but not exceeding 8% of the Total Balance of the Amount for the calendar year of 2015	3.75% ⁽¹⁾
	More than 6%, but not exceeding 7% of Total Balance of the Amount for the calendar year of 2015	3.125% ⁽¹⁾
	Not exceeding 6% of the Total Balance of the Amount for the calendar year of 2015 (Target)	2.5% ⁽¹⁾
Indicator F	Below RMB250,000 per sales person	5% ⁽¹⁾
	Below RMB300,000, but not below RMB250,000 per sales person	4.375% ⁽¹⁾
	Below RMB350,000, but not below RMB300,000 per sales person	3.75% ⁽¹⁾
	Below RMB400,000, but not below RMB350,000 per sales person	3.125% ⁽¹⁾
	Not below RMB400,000 per sales person (Target)	2.5% ⁽¹⁾
Indicator G	More than RMB400,000 for unsecured amount; and More than RMB500,000 for car related business	5% ⁽¹⁾
	More than RMB300,000, but not more than RMB400,000 for unsecured amount; and More than RMB400,000, but not more than RMB500,000 for car related business	4.375% ⁽¹⁾
	More than RMB200,000, but not more than RMB300,000 for unsecured amount; and More than RMB300,000, but not more than RMB400,000 for car related business	3.75% ⁽¹⁾

APPENDIX III ADJUSTED SHAREHOLDING PERCENTAGE IN QUARK

Actual Achievements		Adjusted Shareholding Percentage in Quark (on an as converted basis) (“Original Adjusted Shareholding Percentage”)
	More than RMB100,000, but not more than RMB200,000 for unsecured amount; and More than RMB200,000, but not more than RMB300,000 for car related business	3.125% ⁽¹⁾
	Not more than RMB100,000 for unsecured amount; and Not more than RMB200,000 for car related business (Target)	2.5% ⁽¹⁾
Indicator H	More than 18% of the Total Balance of the Amount via the platform from any single city	5% ⁽¹⁾
	More than 17%, but not more than 18% of the Total Balance of the Amount via the platform from any single city	4.375% ⁽¹⁾
	More than 16%, but not more than 17% of the Total Balance of the Amount via the platform from any single city	3.75% ⁽¹⁾
	More than 15%, but not more than 16% of the Total Balance of the Amount via the platform from any single city	3.125% ⁽¹⁾
	Not more than 15% of the Total Balance of the Amount via the platform from any single city (Target)	2.5% ⁽¹⁾

Note:

- (1) In accordance with the repayment schedule of the Convertible Promissory Note set out in Appendix IV to this circular, upon settlement of instalments, the respective shareholding percentages in Quark shall be adjusted based on the table below:

Original Adjusted Shareholding Percentage	Adjusted Shareholding Percentage upon settlement of 1st instalment	Adjusted Shareholding Percentage upon settlement of 1st and 2nd instalments	Adjusted Shareholding Percentage upon settlement of 1st, 2nd and 3rd instalments	Adjusted Shareholding Percentage upon settlement of 1st, 2nd, 3rd and 4th instalments	Adjusted Shareholding Percentage upon settlement of 1st, 2nd, 3rd, 4th and 5th instalments	Adjusted Shareholding Percentage upon settlement of all the six instalments
5%	4.167%	3.334%	2.501%	1.668%	0.835%	0%
4.375%	3.646%	2.917%	2.188%	1.458%	0.729%	0%
3.75%	3.125%	2.500%	1.875%	1.250%	0.625%	0%
3.125%	2.604%	2.083%	1.563%	1.042%	0.521%	0%
2.5%	2.083%	1.667%	1.250%	0.833%	0.417%	0%

APPENDIX IV**REPAYMENT SCHEDULE FOR THE CONVERTIBLE
PROMISSORY NOTE AND THE SHAREHOLDER FACILITY**

Unless the outstanding principal amount of the Convertible Promissory Note is otherwise converted into Series B Preferred Shares, the repayment schedule of the outstanding principal amount of the Convertible Promissory Note and the Shareholder Facility is as follows:

Number of Instalment	Repayment Date	Amount of Instalment	Balance of the Outstanding Principal Amount
1	2nd anniversary from the date of the Closing (“ Starting Date ”)	RMB 33,333,333	RMB 166,666,667
2	Starting Date + 73	RMB 33,333,333	RMB 133,333,334
3	Starting Date + 146	RMB33,333,333	RMB100,000,001
4	Starting Date + 219	RMB33,333,333	RMB 66,666,668
5	Starting Date + 292	RMB33,333,333	RMB 33,333,335
6	Starting Date + 365	RMB33,333,335	RMB 0

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. DISCLOSURE OF INTERESTS

(a) Directors and Chief Executive

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and the Company's chief executive in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the "Model Code") were as follows:

Name of Director	Nature of interest	Name of corporations	Number of Shares held ⁽¹⁾	Approximate shareholding percentage
Ms. Jin	Interest in a controlled corporation ⁽²⁾	The Company	300,000,000	75%

Notes:

(1) All interests stated above represent long positions.

(2) The Controlling Shareholder is the registered and beneficial owner of these Shares. The entire issued share capital of the Controlling Shareholder is held by Ms. Jin. Therefore, Ms. Jin is deemed to be interested in all the Shares held by the Controlling Shareholder for the purposes of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the Company's chief executive nor their respective associates, had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions

which the Directors and chief executive were deemed or taken to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) **Substantial Shareholders**

So far as is known to the Directors or the chief executive of the Company, as at the Latest Practicable Date, the following persons (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name	Nature of interest	Name of corporations	Number of Shares held⁽¹⁾	Approximate shareholding percentage
Blossom Spring Global Limited (“Blossom Spring”) ⁽²⁾	Beneficial owner	The Company	300,000,000	75%
Mr. Wong Tai Wai ⁽³⁾	Interest of spouse	The Company	300,000,000	75%

Notes:

- (1) All interests stated above represent long positions.
- (2) Blossom Spring is the registered and beneficial owner of these Shares. The entire issued share capital of Blossom Spring is held by Ms. Jin. Therefore, Ms. Jin is deemed to be interested in all the Shares held by Blossom Spring for the purposes of the SFO.
- (3) Mr. Wong Tai Wai is the spouse of Ms. Jin. By virtue of the SFO, Mr. Wong Tai Wai is deemed to be interested in the same number of Shares in which Ms. Jin is deemed to be interested.

Save as disclosed above, so far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or proposed Director is a director or employee of a company which has an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. OTHER DIRECTORS' INTERESTS**(a) Service contracts**

Each of the executive Directors has entered into a service agreement with the Company regarding her appointment as executive Director for a term of three years and shall continue thereafter unless terminated by not less than six months written notice or otherwise in accordance with the service agreement.

None of the executive Directors has or is proposed to have a service contract that is not determinable by the Company within one year without the payment of compensation (other than statutory compensation).

According to the terms of the service agreements entered into between the Company and the executive Directors, each of the executive Directors will receive a monthly salary which is subject to annual review by the Board and the remuneration committee of the Company. Each of the executive Directors is also entitled to a discretionary performance bonus as may be determined by the Board upon the recommendation of the remuneration committee of the Company.

The independent non-executive Directors may be entitled to a discretionary performance bonus under the letters of appointment as may be determined by the Board upon the recommendation of the remuneration committee of the Company.

(b) Interests in competing business

As at the Latest Practicable Date, none of the Directors nor their respective associates had any interest in any business which compete or is likely to compete, either directly or indirectly, with the businesses of the Group.

(c) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by, or leased, or which were proposed to be acquired or disposed of by, or leased to any member of the Group since 31 December 2014 (the date to which the latest published audited consolidated financial statements of the Company was made up).

(d) Interests in contract or arrangement

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

4. MATERIAL CONTRACTS

The following material contracts, not being contracts entered into in the ordinary course of business of the Group, have been entered into by members of the Group within two years immediately preceding the date of this circular and are or may be material:

- (a) the material contracts disclosed under Section 1 Part B of Appendix V in the prospectus of the Company dated 28 November 2014 which has been published on the websites of the Company and the Stock Exchange at <http://gicl.com.hk/en/prospectus/> and <http://www.hkexnews.hk/listedco/listconews/SEHK/2014/1128/LTN20141128023.pdf>, respectively;
- (b) the Note Purchase Agreement;
- (c) the Share Purchase Agreement; and
- (d) the Shareholder Facility.

5. LITIGATION

In July 2014, an independent third party (the “**Plaintiff**”) filed a claim in the Court of First Instance of the High Court of Hong Kong against one of the Company’s subsidiary’s customers (the “**Customer**”) as first defendant and the Company’s subsidiary as the second defendant, alleging that, in 2013, the Company’s subsidiary had not acted in good faith in entering into a mortgage financing arrangement with the Customer since the Company’s subsidiary had actual or constructive notice of that borrower’s intent to defraud creditors and/or lack of good faith (the “**Litigation**”). Accordingly, the Plaintiff sought a declaration that the mortgage provided by the Customer to the Company’s subsidiary (the “**Mortgage**”) is void and be set aside, the registration of the Mortgage at the Land registry be vacated, damages to be assessed, and interest and costs. On 17 December 2014, the Customer had been adjudged bankrupt by the Court of First Instance of the High Court of Hong Kong. On 28 August 2015, the Company issued a letter to the Plaintiff seeking for its agreement to participate in a mediation proceeding and for the Plaintiff to respond by mid September. The Plaintiff has responded and agrees to mediate. A senior counsel has been engaged as the mediator and a mediation date is being scheduled.

Included in loans receivable is an amount due from the Customer of HK\$8,800,000 as at 30 June 2015. The Directors reassessed the collectability of this loan with reference to the validity of the Mortgage due to the Litigation and the creditability of the Customer, and has approved that an impairment of the outstanding loans receivable amount of HK\$8,800,000 be recognised in the consolidated statement of comprehensive income for the year ended 31 December 2013.

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

6. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualifications of the experts who have given an opinion or advice contained in this circular:

Name	Qualification
BOSC International Company Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

The expert above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report or letter or opinion as set out in this circular and references to its names in the form and context in which they appear in this circular.

As at the Latest Practicable Date, none of the expert above had any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, none of the expert above had any interest, direct or indirect, in any asset which since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. GENERAL

- (a) The registered office of the Company is situated at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.
- (b) The principal place of business in Hong Kong is situated at Unit 01, 23/F, World-Wide House, 19 Des Voeux Road, Central, Hong Kong.
- (c) In the event of inconsistency, the English texts of this circular and proxy form shall prevail over the Chinese texts.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The principal share registrar and transfer office is Maples Fund Services (Cayman) Limited at P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (f) The company secretary of the Company is Ms. Wong Wai Ling (ACIS, ACS). She has over 10 years of experience in providing company secretarial services in Hong Kong. Ms. Wong is the assistant vice president of SW Corporate Services Group Limited ("SWCS") and is

responsible for assisting listed companies in professional company secretarial work. Prior to joining SWCS, she worked in a corporate service provider and the company secretarial department of an international accounting firm. Ms. Wong obtained a bachelor of arts degree in marketing and public relations from The Hong Kong Polytechnic University in October 2007 and a master's degree in corporate governance from the Open University of Hong Kong in December 2011. She is an associate of The Hong Kong Institute of Chartered Secretaries and an associate of The Institute of Chartered Secretaries and Administrators in the United Kingdom.

8. MATERIAL ADVERSE CHANGE

The Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2014, being the date to which the latest published audited financial statements of the Group were made up, and up to the Latest Practicable Date.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during 9:30 a.m. to 6:30 p.m. Monday to Friday (except public holidays) at the registered and principal office of the Company at Unit 01, 23/F, World-Wide House, 19 Des Voeux Road, Central, Hong Kong from the date of this circular and up to the date of the EGM (both days inclusive):

- (a) the memorandum and articles of association of the Company;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 36 of this circular;
- (c) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 37 to 45 of this circular;
- (d) the written consent referred to in the paragraph headed "Expert's Qualification and Consent" in this appendix;
- (e) the annual reports of the Group for each of the two financial years ended 31 December 2014;
- (f) the interim results announcement of the Company for the six months ended 30 June 2015;
- (g) the service contracts referred to in the paragraph headed "Service contracts" in this appendix;
- (h) material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (i) this circular.

NOTICE OF EGM



GLOBAL INTERNATIONAL CREDIT GROUP LIMITED

環球信貸集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1669)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Global International Credit Group Limited (the “**Company**”) will be held at Unit A, 29/F, Admiralty Centre I, 18 Harcourt Road, Hong Kong, at 3 p.m. on Wednesday, at 11 November 2015 for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “THAT:

- (a) the note purchase agreement dated 21 July 2015 (the “**Note Purchase Agreement**”) (a copy of which has been produced to the EGM, marked “A” and initialled by the chairman of the EGM for the purpose of identification) entered into among the Company, Quark Finance Group (“**Quark**”), Guo Zhenzhou and Wang Hao (the founders of Quark) in relation to the purchase of the convertible promissory note in the aggregate principal amount of RMB200,000,000 or its equivalent, convertible into fully paid Series B Preferred Shares of Quark, and the transaction contemplated thereunder, be and are hereby approved, confirmed and ratified; and
- (b) any director of the Company be and is hereby authorised to do such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any one director of the Company and be countersigned by the secretary or by a second director or by some other person appointed by the board of directors of the Company for that purpose) and to take such steps as he/she may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Note Purchase Agreement or any transactions contemplated thereunder.”

By order of the Board
Global International Credit Group Limited
Wang Yao
Chairman and Chief Executive

Hong Kong, 26 October 2015

NOTICE OF EGM

Registered office:

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

Principal place of business in Hong Kong:

Unit 01, 23/F

World-Wide House

19 Des Voeux Road

Central

Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
- (iii) In order to be valid, a form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The record date for shareholders of the Company to be eligible to attend and vote at the extraordinary general meeting of the Company to be held on 11 November 2015 will be at the close of business on 10 November 2015. In order to be eligible to attend and vote at the said meeting, all completed transfer documents accompanied by relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 10 November 2015.

As at the date of this notice, the executive directors of the Company are Ms. Wang Yao and Ms. Jin Xiaoqin; and the independent non-executive directors of the Company are Mr. Chan Chi On (alias Derek Chan), Dr. Ng Lai Man, Carmen, and Mr. Tang, Warren Louis.