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

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

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HANBO ENTERPRISES HOLDINGS LIMITED

恒寶企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1367)

DISCLOSEABLE AND CONNECTED TRANSACTION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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

Nuada Limited

Nuada Limited

Unless the context otherwise requires, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 4 to 15 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 16 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 29 of this circular.

A notice convening the EGM to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 27 June 2017 at 3:00 p.m. is set out on pages 34 to 36 of this circular. A form of proxy for use at the EGM is also enclosed. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 3:00 p.m. on Sunday, 25 June 2017 (Hong Kong time)) 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 adjournment thereof (as the case may be) if you so wish.

9 June 2017

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DEFINITIONS

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

“associate(s)”	the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	the day(s) (other than Saturdays, Sundays and statutory public holidays) when banks in the PRC open for business generally
“Capital Contribution”	the capital contribution by Silver Year of RMB25,000,000 to the Target Company pursuant to the terms and conditions of the Capital Contribution Agreement
“Capital Contribution Agreement”	the capital contribution agreement dated 27 April 2017 entered into by Silver Year with the Target Company and its shareholders
“Company”	Hanbo Enterprises Holdings Limited (恒寶企業控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1367)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Capital Contribution Agreement and the transactions contemplated thereunder
“Enlarged Group”	the Group as enlarged by the transactions contemplated under the Capital Contribution Agreement, upon the completion of which the Target Company will become a subsidiary of the Group
“Group”	the Company and its subsidiaries
“Guangzhou Huiyin Tianye”	廣州匯垠天粵股權投資基金管理有限公司 (Guangzhou Huiyin Tianye Equity Investment Fund Management Co., Ltd.*), a limited company established in the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“HKFRS”	The Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hunan Huiyin Xinyuan”	湖南匯垠鑫元投資合夥企業(有限合夥)(Hunan Huiyin Xinyuan Investment Partnership (limited partnership)*), a limited partnership established in the PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. Fok Ho Yin, Thomas, Mr. Chan Wai Cheung, Admiral and Mr. Lam Ho Pong, being all the independent non-executive Directors, which is established for the purpose of reviewing the terms of the Capital Contribution Agreement
“Independent Financial Adviser” or “IFA”	Nuada 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 appointed by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Capital Contribution Agreement
“Independent Shareholders”	Shareholders other than Guangzhou Huiyin Tianye and its associates who are required to abstain from voting on the resolution at the EGM approving the Capital Contribution Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, third party(ies) independent of the Company and its connected persons as defined under the Listing Rules
“Joint Investment Agreement”	the Joint Investment Agreement dated 27 April 2017 entered into between Silver Year and each of the shareholders of the Target Company
“Latest Practicable Date”	6 June 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Silver Year”	Silver Year Limited (銀諾有限公司), a limited company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	湖南匯垠天星股權投資私募基金管理有限公司 (Hunan Huiyin Tianxing Private Equity Investment Fund Management Co., Ltd*), a limited company established in the PRC
“%”	per cent.

* *The English translation of the Chinese names is for identification purposes only, and should not be regarded as the official English translation of such names.*

LETTER FROM THE BOARD



HANBO ENTERPRISES HOLDINGS LIMITED

恒寶企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1367)

Executive Directors:

Mr. JIA Bowei (*Chairman*)
Mr. LAM Kwan Sing (*Chief Executive Officer*)
Mr. WONG Nga Leung
Mr. HON Ming Sang
Ms. YI Sha

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Independent Non-Executive Directors:

Mr. FOK Ho Yin, Thomas
Mr. CHAN Wai Cheung, Admiral
Mr. LAM Ho Pong

*Principal Place of Business
in Hong Kong:*

Suites 904-5
9/F., Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

9 June 2017

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

Reference is made to the announcement of the Company dated 27 April 2017 in relation to the Capital Contribution.

LETTER FROM THE BOARD

On 27 April 2017, Silver Year, an indirect wholly-owned subsidiary of the Company, entered into the Capital Contribution Agreement with the Target Company and each of the shareholders of the Target Company, pursuant to which Silver Year agreed to make capital contribution in the amount of RMB25,000,000 by way of cash to the Target Company and become a shareholder of the Target Company holding 51% of its equity interests.

The purpose of this circular is to provide you with, among other things, (1) further details of the Capital Contribution Agreement; (2) the letter from the Independent Board Committee to the Independent Shareholders, setting out its recommendations in connection with the terms of the Capital Contribution Agreement; (3) the letter from the Independent Financial Adviser, setting out its recommendations to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Capital Contribution Agreement; and (4) a notice to Shareholders convening the EGM to approve the Capital Contribution Agreement and the transactions contemplated thereunder in accordance with the requirements of the Listing Rules.

CAPITAL CONTRIBUTION AGREEMENT

On 27 April 2017, Silver Year, an indirect wholly-owned subsidiary of the Company, entered into the Capital Contribution Agreement with the Target Company and each of the shareholders of the Target Company, which is owned as to 40%, 25%, 25% and 10% by Guangzhou Huiyin Tianye, Hunan Huiyin Xinyuan, Lu Xiaofeng and Zeng Jing respectively as at the date of the Capital Contribution Agreement. Pursuant to the Capital Contribution Agreement, Silver Year agreed to make capital contribution in the amount of RMB25,000,000 by way of cash to the Target Company and become a shareholder of the Target Company holding 51% of its equity interests. The Target Company will become a subsidiary of the Company upon completion of the Capital Contribution Agreement.

As at the date of the Capital Contribution Agreement and the Latest Practicable Date, the Target Company has a registered capital of RMB10,000,000 which is fully paid up. Silver Year will subscribe for registered capital in the amount of RMB10,408,000 (representing 51% of the registered capital of the Target Company immediately upon completion of the Capital Contribution) and the balance of the Capital Contribution will be paid towards the capital reserve of the Target Company.

The Capital Contribution to the Target Company is primarily for initiating the business development, general working capital, and any other purposes which are approved by the board of directors of the Target Company.

LETTER FROM THE BOARD

Payment and determination of consideration

The Capital Contribution will be paid by Silver Year in cash to the Target Company in the following manner:-

- i. as to approximately RMB2,082,000 to be paid within 3 Business Days after the fulfilment or waiver of the conditions precedent as set out below; and
- ii. as to the balance to be paid to the Target Company within 3 Business Days after the completion of registration of change in shareholding with the relevant Administration for Industry & Commerce of the PRC and the obtaining of a new business licence for the Target Company.

The amount of Capital Contribution will be funded by internal resources of the Company. The amount of Capital Contribution is determined after arm's length negotiation among the parties to the Capital Contribution Agreement, and in agreeing the Capital Contribution, the Company took into consideration factors including the following: (i) upon completion of the Capital Contribution Agreement, the Group will have majority control over the Target Company which has already built up a sizeable portfolio of funds over the last two years and is continuing to grow its asset under management significantly; (ii) the Target Company has achieved break even in just over one year after its establishment in November 2014 and its profitability has shown a considerable growth for the four months ended 30 April 2017. Based on an analysis of its fund portfolio, the terms of the fund (including the management fee entitlements) and the consultancy services arrangements, all described in greater detail below, the Target Company can derive a healthy revenue stream over the life of its funds and the consultancy services arrangements; and (iii) the entire amount of Capital Contribution is being paid to the Target Company (in which the Group will have 51% interest) and not to the existing shareholders of the Target Company, most of whom are and continues to be the managers of the business of the Target Company. Such Capital Contribution can then be deployed by the Target Company for the development of its business. Given the trajectory of the asset under management build-up of the Target Company and its business prospects, the Company considered that it is reasonable to value the Target Company at a premium over its existing registered capital.

Conditions precedent to the Capital Contribution

The obligation of the Target Company and its existing shareholders to proceed to completion is subject to the fulfilment of the following conditions precedent (which, other than (ii) and (v) below, may be waived by the Target Company and its existing shareholders):-

- (i) the execution and delivery of all relevant transaction documents by Silver Year;
- (ii) the Capital Contribution being approved by the relevant PRC authorities;

LETTER FROM THE BOARD

- (iii) representations and warranties given by Silver Year in the Capital Contribution Agreement remaining true and accurate in all material respects;
- (iv) there being no actual or threatened material claim or action made by or to any governmental bodies against any party to the Capital Contribution Agreement which may have a material adverse impact on the transactions contemplated under the Capital Contribution Agreement and, in the opinion of the Company, render completion of the transaction impossible or illegal; and
- (v) (if required) the Capital Contribution being approved by the Shareholders at a general meeting and by the Stock Exchange and Silver Year having obtained all relevant approval, consent or waiver from the relevant governmental bodies and third parties with respect to the transactions contemplated under the Capital Contribution Agreement.

As at the Latest Practicable Date, condition (i) set out above has been fulfilled.

The obligation of Silver Year to proceed to completion is subject to the fulfilment of the following conditions precedent (which may be waived by Silver Year):-

- (i) the execution and delivery of all relevant transaction documents by the Target Company and its existing shareholders;
- (ii) representations and warranties given by the Target Company and its existing shareholders in the Capital Contribution Agreement remaining true and accurate in all material respects and the Target Company and its existing shareholders having performed their respective undertakings as set out in the Capital Contribution Agreement;
- (iii) there being no actual or threatened material claim or action made by or to any governmental bodies against any party to the Capital Contribution Agreement which may have a material adverse impact on the transactions contemplated under the Capital Contribution Agreement and, in the opinion of Silver Year, render completion of the transaction impossible or illegal;
- (iv) the transactions contemplated under the Capital Contribution Agreement being approved by the board of directors and existing shareholders of the Target Company;
- (v) (if required) the Target Company and its existing shareholders having obtained all relevant approval, consent or waiver from the relevant governmental bodies and third parties with respect to the transactions contemplated under the Capital Contribution Agreement;

LETTER FROM THE BOARD

- (vi) Silver Year being satisfied with the results of legal, business and financial due diligence against the Target Company and material issues (if any) identified in the due diligence process having been resolved or a resolution having been agreed by the parties;
- (vii) there being no occurrence of any event or change that has or with sufficient proof that would have material adverse impact on (a) the subsistence, business, asset, liability, financial performance or conditions of the Target Company, resulting in any loss to the Target Company exceeding 15% of its net asset; or (b) the qualification, licences or capabilities of the Target Company to carry out its existing business; and
- (viii) the Target Company having obtained the approval of the relevant governmental authority in charge of foreign invested enterprises.

As at the Latest Practicable Date, conditions (i), (iv) and (vi) set out above have been fulfilled.

JOINT VENTURE AGREEMENT

In connection with the Capital Contribution Agreement, Silver Year has also entered into the Joint Investment Agreement with each of the shareholders of the Target Company so as to govern the operation and management of the Target Company and the rights and obligations amongst them. The principal terms of the Joint Investment Agreement are summarised below:

Date:	27 April 2017
Parties:	(1) Silver Year (2) Guangzhou Huiyin Tianye (3) Hunan Huiyin Xinyuan (4) Lu Xiaofeng (5) Zeng Jing
Business scope of the Target Company:	Equity interests investment management, investment consultancy services, investment management services, entrusted management of equity interests investment fund, corporate management consultancy services.

LETTER FROM THE BOARD

Board composition:	<p>The board of directors of the Target Company will comprise five directors, three of which are to be appointed by Silver Year, one of which is to be appointed by Guangzhou Huiyin Tianye and one of which is to be appointed by Hunan Huiyin Xinyuan. The chairman and deputy-chairman of the board of directors are to be nominated by Silver Year and Guangzhou Huiyin Tianye for the approval of the board of directors. Two-thirds of all directors form a quorum of a board meeting.</p> <p>Matters which require unanimous approval of the directors present at the meetings include (i) amendment of the articles; (ii) termination and dissolution; (iii) change of registered capital; and (iv) merger and divestment of the Target Company. Other matters are to be approved by the majority of directors present at a board meeting.</p>
Board of supervisors:	<p>The board of supervisors of the Target Company will comprise three supervisors, two of which are to be appointed by Silver Year and Guangzhou Huiyin Tianye and one of which is a staff representative.</p>
Restrictions on equity transfer:	<p>A shareholder may not transfer its equity interests in the Target Company to a third party without prior consent of the other shareholders. Upon receipt of the written transfer notice from the selling shareholder, the non-selling shareholders have pre-emptive rights to purchase such equity interests on the same terms and conditions.</p>
Distribution of profit:	<p>Any distribution of profits will be made to the shareholders in proportion to their respective percentage equity interests in the Target Company.</p>
Term of business of the Target Company:	<p>20 years, which may be extended subject to agreement between shareholders and approval by the relevant authorities.</p>
Early termination:	<p>Parties may apply for approval from the relevant authorities for early termination for reasons stipulated in the Joint Investment Agreement.</p>

LETTER FROM THE BOARD

INFORMATION ON THE TARGET COMPANY

Shareholding structure

The Target Company is a limited company established in the PRC on 26 November 2014. It is principally engaged in the management of equity investment and fund and provision of investment and management consultancy services. As of the date of the Capital Contribution Agreement and the Latest Practicable Date, the shareholding and registered capital of the Target Company are as follows:-

Shareholder	Registered capital <i>RMB</i>	Percentage shareholding <i>%</i>
Guangzhou Huiyin Tianye	4,000,000	40.00
Hunan Huiyin Xinyuan	2,500,000	25.00
Lu Xiaofeng	2,500,000	25.00
Zeng Jing	<u>1,000,000</u>	<u>10.00</u>
Total	<u>10,000,000</u>	<u>100.00</u>

Immediately upon completion of the Capital Contribution, the shareholding and registered capital of the Target Company will be as follows:-

Shareholder	Registered capital <i>RMB</i>	Percentage shareholding <i>%</i>
Silver Year	10,408,000	51.00
Guangzhou Huiyin Tianye	4,000,000	19.60
Hunan Huiyin Xinyuan	2,500,000	12.25
Lu Xiaofeng	2,500,000	12.25
Zeng Jing	<u>1,000,000</u>	<u>4.90</u>
Total	<u>20,408,000</u>	<u>100.00</u>

LETTER FROM THE BOARD

Fund management and investment consultancy services provided by the Target Company

As at the Latest Practicable Date, eight funds were managed by the Target Company of which one was first launched in 2015, six in 2016 and one in 2017, the last one having a total asset under management that exceeds the aggregate asset under management of all the earliest funds. Total target fund size and the total asset under management of these funds as at the Latest Practicable Date amounted to approximately RMB17,635 million and RMB6,239 million, respectively. These funds are invested in several industries such as clean energy, construction of infrastructure and public utilities, information technology and manufacturing. The term of these funds ranges from 3 to 13 years.

The Target Company is entitled to receive management fees as a general partner of the relevant funds which are limited partnerships. Amongst its eight funds, it charges (i) a management fee of 1% per annum based on the total amount invested as at the end of the immediately preceding calendar year for one fund (“Fund A”); (ii) a management fee of 0.02% per annum of the asset under management in relation to another fund (“Fund B”) whose total asset under management is larger than the aggregate asset under management of the other seven funds; and (iii) a management fee ranging from 0.1% to 1% per annum of the asset under management in relation to the remaining funds (“Other Funds”). The management fee may be waived by the Target Company as a term of investment on a case by case basis. For one of the funds, part of the management fee received by the Target Company may be refunded to the relevant limited partners if the investment target fails to effect a qualified initial public offering or meet the performance targets stipulated in the relevant investment agreement. As at the Latest Practicable Date, the total amount invested by Fund A was approximately RMB533 million and the total asset under management of Fund B and the Other Funds was approximately RMB3,750 million and RMB1,930 million, respectively. Redemptions can only be effected under circumstances specified under the fund constitutional documents, including in circumstances where such withdrawal will not have any adverse effect to the operation of the fund.

In addition to the fees above, the Target Company also receives consultancy fees from time to time from other companies for investment consultancy services provided by it. As at the Latest Practicable Date, two consultancy service customers, namely Guangzhou Huiyin Tianye (a connected person of the Company) and an Independent Third Party, have paid the Target Company such service fee in the amount of RMB2,190,000 and RMB3,000,000, respectively pursuant to two consultancy service agreements dated 18 January 2017 and 23 March 2017, respectively. The consultancy service provided by the Target Company to Guangzhou Huiyin Tianye was a one-off service and the transaction had completed as at the Latest Practicable Date. The consultancy service arrangement between the Target Company and the Independent Third Party is for a term of three years with a fixed consultancy service fee of RMB3,000,000 per annum.

LETTER FROM THE BOARD

Information of the shareholders of the Target Company

Guangzhou Huiyin Tianye is a limited company established in the PRC. It is principally engaged in equity investment, management of equity investment and fund and provision of investment and management consultancy services. Guangzhou Huiyin Tianye is an indirect wholly-owned subsidiary of the People's Government of Guangzhou Municipality. As at the Latest Practicable Date, Guangzhou Huiyin Tianye, through its wholly-owned subsidiary, holds 18.75% of the issued Shares. Ms. Yi Sha, an executive Director, is the financial controller of the indirect holding company of Guangzhou Huiyin Tianye and a director of its subsidiary which holds 18.75% of the issued Shares.

Hunan Huiyin Xinyuan is a limited partnership established in the PRC. It is principally engaged in equity investment and provision of investment and management consultancy services.

Lu Xiaofeng and Zeng Jing are two individuals with PRC nationality.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiry, each of Lu Xiaofeng, Zeng Jing, Hunan Huiyin Xinyuan and its ultimate beneficial owner(s) are Independent Third Parties.

Financial information of the Target Company

According to the audited financial statements of the Target Company prepared in accordance with HKFRS, the net asset value of the Target Company as at 31 December 2016 was approximately RMB3,083,000.

According to the management accounts of the Target Company prepared in accordance with accounting principles generally accepted in the PRC for the four months ended 30 April 2017 ("Latest Management Accounts"), the net asset value of the Target Company as at 30 April 2017 was approximately RMB6,049,000.

LETTER FROM THE BOARD

According to the financial statements of the Target Company prepared in accordance with HKFRS, the net profits of the Target Company for the two years ended 31 December 2015 and 2016 were as follows:-

	Year ended 31 December 2015	Year ended 31 December 2016
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(unaudited)	(audited)
Net profit/(loss) before tax	(7,029)	112
Net profit/(loss) after tax	(7,029)	112

Based on the Latest Management Accounts of the Target Company, the Target Company recorded a net profit before tax of approximately RMB2.4 million for the four months ended 30 April 2017.

REASONS FOR AND BENEFITS OF THE CAPITAL CONTRIBUTION

The Company is an investment holding company. The Group is principally engaged in trading of apparel products and provision of apparel supply chain management services for woven wear (such as shirts, pants, jeans and jackets) and accessories. The Group is also engaged in provision of financial services, money lending business and securities investment.

As disclosed in the Company's annual report for the year ended 31 December 2016, the Group has been looking into other financial services platforms such as fund management companies and plans to further expand its financial services segment.

The Capital Contribution is in line with the Group's strategy to develop its financial services segment. In view of the above, the Directors are of the view that the Capital Contribution is on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at least one of the applicable percentage ratios in relation to the Capital Contribution calculated in accordance with Rule 14.07 of the Listing Rules is higher than 5% but less than 25%, the transactions contemplated under the Capital Contribution Agreement therefore constitute a discloseable transaction for the Company, which is subject to the notification and announcement requirements under the Listing Rules.

LETTER FROM THE BOARD

Guangzhou Huiyin Tianye, through its wholly-owned subsidiary, holds 18.75% of the issued Shares and is thus a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Capital Contribution Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As at least one of the applicable percentage ratios (as defined under the Listing Rules) exceeds 5%, the connected transaction is subject to the notification, announcement and Independent Shareholders' approval requirements under the Listing Rules.

GENERAL

An Independent Board Committee, comprising Mr. Fok Ho Yin, Thomas, Mr. Chan Wai Cheung, Admiral and Mr. Lam Ho Pong, being all the independent non-executive Directors, has been established to advise the Independent Shareholders on the terms of the Capital Contribution Agreement. Nuada Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

Ms. Yi Sha, an Executive Director, is the financial controller of the indirect holding company of Guangzhou Huiyin Tianye and a director of its subsidiary which holds 18.75% of the issued Shares. Ms. Yi joined the Board after the date of, and therefore did not attend, the Board meeting approving the transactions contemplated under the Capital Contribution Agreement. Save as disclosed above, none of the other Directors has a material interest in the transactions contemplated under the Capital Contribution Agreement and none of them is required to abstain from voting on the resolutions proposed at the Board meeting to approve such transactions.

RECOMMENDATION

The Directors (including the independent non-executive Directors after considering the advice of Nuada Limited, but excluding Ms. Yi Sha) consider that the transactions contemplated under the Capital Contribution Agreement are on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms of the Capital Contribution Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, they recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM.

Your attention is drawn to the letter from the Independent Board Committee as set out on page 16 of this circular which contains its recommendations to the Independent Shareholders in respect of the terms of the Capital Contribution Agreement. As at the Latest Practicable Date, Guangzhou Huiyin Tianye and its associates hold, control and are entitled to exercise control over an aggregate of 90,000,000 Shares, representing 18.75% of the issued Shares. Guangzhou Huiyin Tianye and its associates are required to abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Capital Contribution Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The advice of the IFA to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Capital Contribution Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole is set out on pages 17 to 29 of this circular.

ADDITIONAL INFORMATION

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

By order of the Board
Hanbo Enterprises Holdings Limited
Jia Bowei
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



HANBO ENTERPRISES HOLDINGS LIMITED

恒寶企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1367)

9 June 2017

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

We refer to the circular of the Company dated 9 June 2017 (the “Circular”), of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the terms of, and advise you in respect of the transactions contemplated under the Capital Contribution Agreement, details of which are set out in the letter from the Board on pages 4 to 15 of the Circular.

We wish to draw your attention to the letter from the Board on pages 4 to 15 of the Circular and the letter from the Independent Financial Adviser as set out on pages 17 to 29 of the Circular. Your attention is also drawn to the additional information set out in the appendix to the Circular.

Having taken into account the advice of, and the principal factors and reasons considered by Nuada Limited in relation thereto as stated in its letter, we consider that the transactions contemplated under the Capital Contribution Agreement are on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms of the Capital Contribution Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are 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 to be proposed at the EGM in respect of the Capital Contribution Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Hanbo Enterprises Holdings Limited

FOK Ho Yin, Thomas
Independent
Non-executive Director

CHAN Wai Cheung, Admiral
Independent
Non-executive Director

LAM Ho Pong
Independent
Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Nuada Limited dated 9 June 2017 prepared for the purpose of inclusion in this circular.

Nuada Limited

Unit 1805-08, 18/F
OfficePlus @Sheung Wan
93-103 Wing Lok Street
Sheung Wan, Hong Kong

9 June 2017

*To the Independent Board Committee
and the Independent Shareholders of
Hanbo Enterprises Holdings Limited*

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Capital Contribution, details of which are set out in the section headed “Letter from the Board” (the “**Letter from the Board**”) in the Company’s circular dated 9 June 2017 to the Shareholders, of which this letter forms part. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee. Terms used in this letter shall have the same meanings as defined in this circular unless the context requires otherwise.

As disclosed in the Letter from the Board, on 27 April 2017, Silver Year, an indirect wholly-owned subsidiary of the Company, entered into the Capital Contribution Agreement with the Target Company and its shareholders, pursuant to which Silver Year agreed to make capital contribution in the amount of RMB25,000,000 by way of cash to the Target Company and become a shareholder of the Target Company holding 51% of its equity interests. The Target Company will become a subsidiary of the Company upon completion of the Capital Contribution Agreement. In connection with the Capital Contribution Agreement, Silver Year has also entered into the Joint Investment Agreement with each of the shareholders of the Target Company on 27 April 2017.

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Guangzhou Huiyin Tianye, through its wholly-owned subsidiary, holds 18.75% of the issued Shares and is thus a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Capital Contribution Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. As at least one of the applicable percentage ratios (as defined under the Listing Rules) exceeds 5%, the connected transaction is subject to the notification, announcement and Independent Shareholders' approval requirements under the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Capital Contribution Agreement. We, Nuada Limited, has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the Capital Contribution, there were no other engagements between the Group and Nuada Limited. Apart from normal professional fees for our services to the Company in connection this appointment as the Independent Financial Adviser in respect of the Capital Contribution, no other arrangement exists whereby we will receive any fees and/or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we are independent from, and are not associated with the Company or its substantial shareholder(s) or connected person(s) as defined under the Listing Rules, and accordingly are considered eligible to give independent advice on the terms of the Capital Contribution Agreement.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in this circular and the information and representations provided to us by the Company, the Directors and the management of the Company. We have no reason to believe that any information or representation relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in this circular, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true up to the Latest Practicable Date and should there be any material changes after the despatch of this circular, the Shareholders would be notified as soon as possible.

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The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in this circular and have confirmed in this circular, having made all reasonable inquiries, that to the best of their knowledge, opinion expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement in this circular misleading.

We consider that we have reviewed sufficient information, including relevant information and documents provided by the Company and the Directors and the information published by the Company, to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in this circular to provide a reasonable basis for our opinions and recommendations. We have not, however, carried out any independent verification of the information provided by the Company and the Directors, nor have we conducted an independent in-depth investigation into the business and affairs, financial condition and future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our recommendation in respect of the terms of the Capital Contribution Agreement, we have taken into consideration the following principal factors and reasons:

1. Background information on the Capital Contribution

(a) Information of the Group

The Company is an investment holding company. The Group is principally engaged in trading of apparel products and provision of apparel supply chain management services for woven wear (such as shirts, pants, jeans and jackets) and accessories. The Group is also engaged in provision of financial services, money lending business and securities investment.

Set out below are the summary of the financial information of the Group for the two years ended 31 December 2015 (“FY2015”) and 31 December 2016 (“FY2016”) as extracted from the annual report of the Company for FY2016:

	For the year ended	
	31 December 2015	31 December 2016
	HK\$'000	HK\$'000
	(audited)	(audited)
Revenue	355,952	365,750
(Loss) for the year	<u>(5,367)</u>	<u>(5,527)</u>

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The Group recorded a revenue of approximately HK\$365.8 million for FY2016, representing an increase of approximately 2.8% as compared to FY2015. As discussed with the management of the Company and as stated in the annual report of the Company for FY2016, the increase was mainly due to (i) an increase in revenue derived from supply chain management services business to approximately HK\$363.2 million, as compared with approximately HK\$356.0 million for FY2015; and (ii) an unrealised gain on an investment in listed equity investment at fair value through profit and loss of approximately HK\$2.4 million as compared with nil for FY2015, which is arising from the Group's new business segment on securities investment.

The net loss attributed to Shareholders for FY2016 amounted to approximately HK\$5.5 million as compared with that of approximately HK\$5.4 million for FY2015, representing an increase in loss of approximately 3.0%. As discussed with the management of the Company and as stated in the annual report of the Company for FY2016, such increase in loss was resulted from the net effect of (i) decrease in other income and gains of approximately HK\$4.7 million, which was mainly attributable to the decrease in compensation income from an insurance company of approximately HK\$2.7 million; (ii) increase in gross profit of approximately HK\$1.0 million; and (iii) decrease in staff costs from approximately HK\$41.3 million to approximately HK\$37.7 million.

(b) Information of the Target Company

The Target Company is a limited company established in the PRC on 26 November 2014. It is principally engaged in the management of equity investment and fund and provision of investment and management consultancy services.

According to the financial statements of the Target Company prepared in accordance with HKFRS, the net profits of the Target Company for FY2015 and FY2016 were as follows:

	Year ended 31 December 2015 RMB'000 (unaudited)	Year ended 31 December 2016 RMB'000 (audited)
Net profit/(loss) before tax	(7,029)	112
Net profit/(loss) after tax	<u>(7,029)</u>	<u>112</u>

According to the audited financial statements of the Target Company prepared in accordance with HKFRS, the net asset value of the Target Company as at 31 December 2016 was approximately RMB3,083,000.

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As stated in the paragraph headed “Information on the Target Company” in the Letter from the Board, as at the Latest Practicable Date, eight funds were managed by the Target Company (the “**Funds**”). The Target Company is entitled to receive management fees as a general partner of the Funds which are limited partnerships. Amongst these Funds, it charges (i) a management fee of 1% per annum based on the total amount invested as at the end of the immediately preceding calendar year for one fund (“**Fund A**”); (ii) a management fee of 0.02% per annum of the asset under management in relation to another fund (“**Fund B**”) whose total asset under management is larger than the aggregate asset under management of the other seven funds; and (iii) a management fee ranging from 0.1% to 1% per annum of the asset under management in relation to the remaining funds (“**Other Funds**”). The management fee may be waived by the Target Company as a term of investment on a case by case basis. For one of the Funds, part of the management fee received by the Target Company may be refunded to the relevant limited partners if the investment target fails to effect a qualified initial public offering or meet the performance targets stipulated in the relevant investment agreement. As at the Latest Practicable Date, the total amount invested by Fund A was approximately RMB533 million and the total asset under management of Fund B and the Other Funds was approximately RMB3,750 million and RMB1,930 million, respectively. The Funds are invested in several industries such as clean energy, construction of infrastructure and public utilities, information technology and manufacturing. The term of these Funds ranges from 3 to 13 years.

In addition to the fees above, the Target Company also receives consultancy fees from time to time from other companies for investment consultancy services provided by it. As at the Latest Practicable Date, two consultancy service customers, namely Guangzhou Huiyin Tianye (a connected person of the Company) and an Independent Third Party, have paid the Target Company such service fee in the amount of RMB2,190,000 and RMB3,000,000, respectively pursuant to two consultancy service agreements dated 18 January 2017 and 23 March 2017, respectively. The consultancy service provided by the Target Company to Guangzhou Huiyin Tianye was a one-off service and the transaction had completed as of the Latest Practicable Date. The consultancy service arrangement between the Target Company and the Independent Third Party is for a term of three years with a fixed consultancy service fee of RMB3,000,000 per annum.

We have discussed with the management of the Company regarding the financial information of the Target Company and reviewed all relevant agreements entered by the Target Company. We understand that (i) the Target Company was established in November 2014 and initial setup costs were incurred in FY2015; (ii) capital have been injected into the Funds from time to time during FY2015, FY2016 and the financial year ending 31 December 2017 but the Funds have not been fully paid up as at the Latest Practicable Date; and (iii) as stated in the Letter from the Board and the

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relevant agreements entered into by the Target Company, redemptions can only be effected under circumstances specific under the fund constitutional documents, including in circumstances where such withdrawal will not have any adverse effect to the operation of the Fund. In view of the above, the loss of the Target Company for FY2015 and the profit of the Target Company for FY2016 may not fully reflect its profitability given most of the Funds commenced operation since the second half of FY2016 and two consultancy service agreements were entered in early 2017. According to the management accounts of the Target Company prepared in accordance with accounting principles generally accepted in the PRC for the four months ended 30 April 2017, the net profit before tax of the Target Company amounted to approximately RMB2.4 million and the net asset value of the Target Company as at 30 April 2017 was approximately RMB6,049,000.

(c) Market outlook for the Target Company

As the Target Company is principally engaged in the management of equity investment and fund and provision of investment and management consultancy services, we have investigated the securities market and the asset management industry in the PRC.

We studied the “Securities Market Monthly Report – March 2017 Statistics” (the latest information available on the website of the China Securities Regulatory Commission (中國證監會)(“CSRC”)) and the “Securities Market Monthly Report – March 2016 Statistics”. CSRC is a ministerial-level public institution directly under the State Council of the PRC. As disclosed in the aforesaid monthly reports, we noted that the total market capitalisation of securities market (including A share companies and B share companies) increased from approximately RMB45,400 billion as at 28 March 2016 to approximately RMB54,000 billion as at 28 March 2017, representing a growth of approximately 18.9%. Meanwhile, the daily average turnover of securities market increased from approximately RMB446.8 billion for December 2016 to approximately RMB504.1 billion for March 2017, representing an increase of approximately 12.8%. These increases reflect the growth of the securities market in recent period.

We also studied “2013 China Securities Investment Fund Fact Book”, “2014 China Securities Investment Fund Fact Book” and “2015 China Securities Investment Fund Fact Book” released respectively in March 2015, April 2016 and January 2017 on the website of Asset Management Association of China (中國證券投資基金業協會), which is a national, industry-oriented, and non-profit social organization subjected to the operational guidance, supervision, and administration from CSRC and Ministry of Civil Affairs of the PRC. According to the three aforementioned publications, the total value of assets managed under the asset management industry of PRC grew from approximately RMB14,100 billion in 2013 to approximately

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RMB48,500 billion in 2014, representing an upsurge of approximately 244.0%, and further to approximately RMB79,100 billion in 2015, representing a further increase of approximately 63.1%. The rapid increasing trend shows that the asset management industry is thriving in recent years.

In light of the growth of securities market and asset management industry in the PRC, we are of the view that the market outlook for the Target Company is positive.

2. Reasons for and benefits of the Capital Contribution

As disclosed in the Company's annual report for FY2016, the Group has been looking into other financial services platforms such as fund management companies and plans to further expand its financial services segment.

As disclosed in the Letter from the Board, it is considered that the Capital Contribution is in line with the Group's strategy to develop its financial services segment. In view of the above, the Directors (including the independent non-executive Directors but excluding Ms. Yi Sha, an Executive Director, who joined the Board after the date of, and therefore did not attend, the Board meeting approving the transactions contemplated under the Capital Contribution Agreement) are of the view that the Capital Contribution is on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms of the Capital Contribution Agreement are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Having considered (i) the Capital Contribution being in line with the Group's strategy to develop its financial services segment; (ii) the financial information of the Target Company as detailed in the paragraph headed "(b) Information of the Target Company" above; (iii) the positive outlook of the securities market and asset management industry in the PRC as detailed in the paragraph headed "(c) Market outlook for the Target Company" above; and (iv) our assessment of the amount of Capital Contribution, including comparative analysis in the paragraph headed "(a) Amount of the Capital Contribution" below, we are of the view and concur with the view of the management of the Company that the Capital Contribution is in the interest of the Company and the Shareholders as a whole.

3. Principal terms of the Capital Contribution Agreement

(a) Amount of the Capital Contribution

The Capital Contribution will be paid by Silver Year in cash to the Target Company in the following manner:

- (i) as to approximately RMB2,082,000 to be paid within 3 Business Days after the fulfilment or waiver of the conditions precedent as set out in the Letter from the Board; and

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- (ii) as to the balance to be paid to the Target Company within 3 Business Days after the completion of registration of change in shareholding with the relevant Administration for Industry & Commerce of the PRC and the obtaining of a new business licence for the Target Company.

The amount of Capital Contribution will be funded by internal resources of the Company. The amount of Capital Contribution is determined after arm's length negotiation among the parties to the Capital Contribution Agreement, and in agreeing the Capital Contribution, the Company took into consideration factors including the following: (i) upon completion of the Capital Contribution Agreement, the Group will have majority control over the Target Company which has already built up a sizeable portfolio of funds over the last two years and is continuing to grow its asset under management significantly; (ii) the Target Company has achieved break even in just over one year after its establishment in November 2014 and its profitability has shown a considerable growth for the four months ended 30 April 2017. Based on an analysis of its fund portfolio, the terms of the fund (including the management fee entitlements) and the consultancy services arrangements, all described in greater detail in the paragraph headed "(b) Information of the Target Company" above, the Target Company can derive a healthy revenue stream over the life of its funds and the consultancy services arrangements; and (iii) the entire amount of Capital Contribution is being paid to the Target Company (in which the Group will have 51% interest) and not to the existing shareholders of the Target Company, most of whom are and continues to be the managers of the business of the Target Company. Such Capital Contribution can then be deployed by the Target Company for the development of its business. Given the trajectory of the asset under management build-up of the Target Company and its business prospects, the Company considered that it is reasonable to value the Target Company at a premium over its existing registered capital.

We note that the Capital Contribution to the Target Company comprises (i) RMB10.4 million as registered capital of the Target Company which results in Silver Year holding 51% of the equity interests of the Target Company; and (ii) RMB 14.6 million as capital reserve of the Target Company. Having taking into account that (i) the Group will have majority control over the Target Company upon completion of the Capital Contribution Agreement; (ii) the market outlook for the Target Company is positive as discussed in the paragraph headed "(c) Market outlook for the Target Company" above; (iii) the Target Company can derive a healthy revenue stream over the life of its funds and the consultancy services arrangements; (iv) the amount of Capital Contribution can be deployed by the Target Company for its business development; and (v) the amount of the Capital Contribution is justifiable as stated below, we are of the view and concur with the view of the management of the Company that the arrangement is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

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In order to assess the fairness and reasonableness of the amount of Capital Contribution, we have searched for transactions as announced by companies listed in Hong Kong in relation to acquisitions of companies engaged in business similar to that of the Target Company, i.e. asset management. To the best of our knowledge and endeavour, we found that there were six such transactions (with relevant financial information available) (the “**Comparable Transactions**”) announced from 1 January 2016 and up to the date of the Capital Contribution Agreement, which are exhaustive as far as we are aware of. We consider that (i) the Comparable Transactions represent the most recent similar transactions carried out by listed companies in Hong Kong since last year and up to the date of the Capital Contribution Agreement; and (ii) the size of the Comparable Transactions with more than five samples for the purpose of comparison is adequate.

We understand that the two commonly adopted price multiple analysis are the price to book ratio (“**PBR**”) and price to earnings ratio (“**PER**”). However, given that five out of six of the subject companies of the Comparable Transactions are loss-making and profit of the Target Company for FY2016 may not fully reflect its profitability as stated in the paragraph headed “(b) Information of the Target Company” above, we consider that PER analysis is not representable. Accordingly, we adopted the PBR in the comparative analysis. The list of Comparable Transactions is as follows:

No.	Date of initial announcement	Name of listed company	Stock Code	Net asset value of subject target (Note 1)	Consideration	PBR (Note 2)
1.	22 January 2016	Daohe Global Group Limited	915	HK\$5,288,248	HK\$14,500,000	2.74
2.	20 April 2016	China Precious Metal Resources Holdings Co., Ltd.	1194	HK\$74,828,404	HK\$306,000,000	4.09
3.	22 April 2016	China Precious Metal Resources Holdings Co., Ltd.	1194	HK\$29,766,407	HK\$30,000,000	1.01
4.	20 September 2016	Universal Technologies Holdings Limited	1026	HK\$703,000	HK\$9,000,000	12.80
5.	7 February 2017	Merdeka Financial Services Group Limited	8163	HK\$5,165,255	HK\$10,000,000	1.94
6.	9 February 2017	Madison Wine Holdings Limited	8057	HK\$744,380	HK\$14,000,000	18.81
					Average	6.90
					Maximum	18.81
					Minimum	1.01
		The Company	1367	RMB3,083,000 (Note 3)	RMB25,000,000	15.90 (Note 5)
				or		or
				RMB6,049,000 (Note 4)		8.10 (Note 6)

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Notes:

1. They represent the net asset value of the subject companies being acquired for the corresponding latest financial periods as disclosed in the respective announcements.
2. The PBR is calculated by dividing the consideration by net asset value of the subject companies being acquired.
3. It represents the audited net asset value of the Target Company as at 31 December 2016.
4. It represents the unaudited net asset value of the Target Company as at 30 April 2017.
5. Calculated as $\text{RMB}25 \text{ million} / (\text{RMB}3,083,000 \times 51\%) = 15.90$ times, taking into account the 51% shareholding interest in the Target Company immediately upon completion of the Capital Contribution.
6. Calculated as $\text{RMB}25 \text{ million} / (\text{RMB}6,049,000 \times 51\%) = 8.10$ times, taking into account the 51% shareholding interest in the Target Company immediately upon completion of the Capital Contribution.

In view of the improved financial performance of the Target Company for the four months ended 30 April 2017 as discussed in the paragraph headed “(b) Information of the Target Company” above, both the PBR based on audited net asset value of the Target Company as at 31 December 2016 (the “**Past PBR**”) and that based on unaudited net asset value of the Target Company as at 30 April 2017 (the “**Recent PBR**”) are included for our analysis. We noticed that the PBR of the Comparable Transactions ranges from approximately 1.01 times to approximately 18.81 times, with an average of 6.90 times. The Past PBR is approximately 15.90 times while the Recent PBR is approximately 8.10 times, both of which are higher than the average of 6.90 times but are within the range of PBR represented by the Comparable Transactions.

Taking into account (i) both the Past PBR and the Recent PBR are higher than the average of 6.90 times but are within the range of PBR represented by the Comparable Transactions; (ii) notwithstanding the slightly higher Recent PBR, we noticed that out of the six Comparable Transactions, five of the subject companies of the Comparable Transactions were loss-making in their respective latest financial periods, while the Target Company is profit-making as stated in the paragraph headed “(b) Information of the Target Company” above; (iii) the management fee structure of the Funds and the amount of the total asset under management of the existing Funds managed by the Target Company as stated in the paragraph headed “(b) Information of the Target Company” above, representing that additional revenue stream can be created for the Target Company; and (iv) the market outlook for the Target Company is positive and the total value of asset under management in the asset management industry of PRC experienced an increasing trend in recent years as discussed in the paragraph headed “(c) Market outlook for the Target Company” above, we are of the view and concur with view of the Directors that the amount of Capital Contribution is justifiable.

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(b) Other terms of the Capital Contribution Agreement

We have also reviewed other terms of the Capital Contribution Agreement including, among others, the conditions precedent, and noted that the terms of the Capital Contribution Agreement are normal commercial terms. Accordingly, we are of the view and concur with the view of the management of the Company that the Capital Contribution Agreement is on normal commercial terms and the terms of the Capital Contribution are fair and reasonable.

4. Principal terms of the Joint Investment Agreement

As disclosed in the Letter from the Board, in connection with the Capital Contribution Agreement, Silver Year has also entered into the Joint Investment Agreement with each of the shareholders of the Target Company so as to govern the operation and management of the Target Company and the rights and obligations amongst them. Principal terms of the Joint Investment Agreement are summarised below:

Date:	27 April 2017
Parties:	(1) Silver Year (2) Guangzhou Huiyin Tianye (3) Hunan Huiyin Xinyuan (4) Lu Xiaofeng (5) Zeng Jing
Business scope of the joint venture:	Equity interests investment management, investment consultancy services, investment management services, entrusted management of equity interests investment fund, corporate management consultancy services
Board composition:	The board of directors of the Target Company will comprise five directors, three of which are to be appointed by Silver Year, one of which is to be appointed by Guangzhou Huiyin Tianye and one of which is to be appointed by Hunan Huiyin Xinyuan. The chairman and deputy-chairman of the board of directors are to be nominated by Silver Year and Guangzhou Huiyin Tianye for the approval of the board of directors. Two-thirds of all directors form a quorum of a board meeting.

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	<p>Matters which require unanimous approval of the directors present at the meetings include (i) amendment of the articles, (ii) termination and dissolution, (iii) change of registered capital, and (iv) merger and divestment of the Target Company. Other matters are to be approved by the majority of directors present at a board meeting.</p>
Board of supervisors:	<p>The board of supervisors of the Target Company will comprise three supervisors, two of which are to be appointed by Silver Year and Guangzhou Huiyin Tianye and one of which is a staff representative.</p>
Restrictions on equity transfer:	<p>A shareholder may not transfer its equity interests in the Target Company to a third party without prior consent of the other shareholders. Upon receipt of the written transfer notice from the selling shareholder, the non-selling shareholders have pre-emptive rights to purchase such equity interests on the same terms and conditions.</p>
Distribution of profit:	<p>Any distribution of profits will be made to the shareholders in proportion to their respective percentage equity interests in the Target Company.</p>
Term of business of the Target Company:	<p>20 years, which may be extended subject to agreement between shareholders and approval by the relevant authorities.</p>
Early termination:	<p>Parties may apply for approval from the relevant authorities for early termination for reasons stipulated in the Joint Investment Agreement.</p>

We have reviewed the Joint Investment Agreement and have discussed with the management of the Company regarding the major terms thereof. Having considered the principal terms of the Joint Investment Agreement, including (i) the majority of the board of directors of the Target Company, i.e. three out of five, are to be appointed by Silver Year; and (ii) distribution of profits will be made to the shareholders of the Target Company in proportion to their respective percentage equity interests in the Target Company, we are of the view and concur with the view of the management of the Company that the terms of the Joint Investment Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

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5. Financial Effect of the Capital Contribution Agreement

After completion of the Capital Contribution, the Target Company will be a subsidiary of the Company and its financial results will be consolidated into the consolidated financial statements of the Group.

Taking into consideration (i) the financial information of the Target Company as detailed in the paragraph headed “(b) Information of the Target Company” above; and (ii) the positive outlook of the securities market and asset management industry in the PRC as detailed in the paragraph headed “(b) Market outlook for the Target Company” above, we are of the view that the Capital Contribution by the Group to the Target Company as contemplated under the Capital Contribution Agreement may contribute profit to the Group. Accordingly, we consider and concur with the view of the management of the Company that the Capital Contribution Agreement is in the interest of the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the aforementioned principal factors and reasons, we are of the view that (i) the Capital Contribution is in the interests of the Company and the Shareholders as a whole; (ii) the transactions contemplated under the Capital Contribution Agreement are on normal commercial terms and are in the ordinary and usual course of business of the Group; and (iii) the terms of the Capital Contribution Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders, and advise the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Capital Contribution Agreement and the transactions contemplated respectively thereunder.

Yours faithfully,
For and on behalf of
Nuada Limited
Kevin Wong
Vice President

Mr. Kevin Wong is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Nuada Limited who has over 13 years of experience in corporate finance industry.

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.

DISCLOSURE OF INTERESTS**Directors' and Chief Executive's Interests and Short Positions in the Shares and Underlying Shares and Debentures of the Company**

As at the Latest Practicable Date, none of the Directors or Chief Executive of the Company or their respective associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required, (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which such Director or Chief Executive of the Company is taken or deemed to have under such provisions of the SFO; or (ii) to be entered in the register required to be kept by the Company under section 352 of the SFO; or (iii) otherwise to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

As at the Latest Practicable Date, save that Ms. Yi Sha, an Executive Director, is the financial controller of the indirect holding company of Guangzhou Huiyin Tianye and a director of its subsidiary which holds 18.75% of the issued Shares, none of the other Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares

As at the Latest Practicable Date, so far as was known to the Directors or Chief Executive of the Company, the following persons (other than a Director or Chief Executive of the Company), had, or were deemed to have, an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long position in the Shares

Name of substantial Shareholder	Number of ordinary Shares	Percentage of shareholdings
Plus Value International Limited <i>(Note)</i>	270,000,000	56.25%
Mr. Lai Leong <i>(Note)</i>	270,000,000	56.25%
People's Government of Guangzhou Municipality (廣州市人民政府)	90,000,000	18.75%

Note: Plus Value International Limited is wholly-owned by Mr. Lai Leong. Under Part XV of the SFO, Mr. Lai Leong is deemed to be interested in the Shares owned by Plus Value International Limited.

Save as disclosed above, the Directors and Chief Executive of the Company were not aware of any other person (other than a Director or the Chief Executive of the Company) who, as at the Latest Practicable Date, had or was deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SERVICE CONTRACTS

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

COMPETING BUSINESS

As at the Latest Practicable Date, none of the Director and their respective close associates was interested in any business, which competes or is likely to compete, either directly or indirectly, with the business of the Group which is required to be disclosed pursuant to the Listing Rules.

MATERIAL INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

Ms. Yi Sha, an Executive Director, is the financial controller of the indirect holding company of Guangzhou Huiyin Tianye and a director of its subsidiary which holds 18.75% of the issued Shares. Save as disclosed above, as at the Latest Practicable Date, none of the other Directors was materially interested in any contract or arrangement entered into by any member of the Enlarged Group subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Enlarged Group.

QUALIFICATION OF EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Nuada Limited, the IFA	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the IFA has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein a copy of its letter and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the IFA did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the IFA did not have any direct or indirect interest in any assets of the Enlarged Group which had been, since 31 December 2016, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any other material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited accounts of the Group were made up.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's principal place of business in Hong Kong at Suites 904-5, 9/F., Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong during 9:00 a.m. to 5:30 p.m. on any business day in Hong Kong, from the date of this circular for a period of 14 days:

- (a) the Capital Contribution Agreement;
- (b) the Joint Investment Agreement; and
- (c) this circular.

NOTICE OF EGM



HANBO ENTERPRISES HOLDINGS LIMITED

恒寶企業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1367)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Hanbo Enterprises Holdings Limited (the “**Company**”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 27 June 2017 at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the capital contribution agreement dated 27 April 2017 (the “**Capital Contribution Agreement**”) entered into between Silver Year Limited, an indirect wholly-owned subsidiary of the Company, 湖南匯垠天星股權投資私募基金管理有限公司 (Hunan Huiyin Tianxing Private Equity Investment Fund Management Co., Ltd*, the “**Target Company**”) and each of 廣州匯垠天粵股權投資基金管理有限公司 (Guangzhou Huiyin Tianye Equity Investment Fund Management Co., Ltd.*), 湖南匯垠鑫元投資合夥企業(有限合夥) (Hunan Huiyin Xinyuan Investment Partnership (limited partnership)*), LU Xiaofeng and ZENG Jing in respect of the proposed capital contribution of RMB25,000,000 to be made by Silver Year Limited by way of cash to the Target Company (a copy of the Capital Contribution Agreement marked “A” has been produced to the EGM and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

NOTICE OF EGM

- (b) any director of the Company be and is hereby authorised to take all actions and execute all documents as he/she deems necessary, desirable or expedient in order to implement or give effect to the transactions contemplated under the Capital Contribution Agreement.”

By order of the Board
Hanbo Enterprises Holdings Limited
Jia Bowei
Chairman and Executive Director

Hong Kong, 9 June 2017

Principal place of business in Hong Kong:

Suites 904-5
9/F., Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Notes:

1. A form of proxy for use at the EGM is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
3. A member entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a member of the Company.
4. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM (i.e. not later than 3:00 p.m. on Sunday, 25 June 2017 (Hong Kong time)) or adjourned meeting thereof (as the case may be).
5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should they so wish and in such event, the form of proxy shall be deemed to be revoked.

NOTICE OF EGM

6. The register of members will be closed from Thursday, 22 June 2017 to Tuesday, 27 June 2017 (both days inclusive) during which period no transfer of shares will be registered. In order to determine the entitlement of the shareholders of the Company to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Wednesday, 21 June 2017 (Hong Kong time).
7. The votes of members at the EGM to approve the ordinary resolution will be taken by poll.
8. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 12:00 noon on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the website of the Company at www.hanbo.com and on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk to notify the Company's shareholders of the date, time and venue of the rescheduled meeting.
9. The English translation of the Chinese names in this notice, where indicated by "*", is for identification purposes only, and should not be regarded as the official English translation of such names.

As at the date hereof, the Executive Directors are Mr. Jia Bowei, Mr. Lam Kwan Sing, Mr. Wong Nga Leung, Mr. Hon Ming Sang and Ms. Yi Sha and the Independent Non-executive Directors are Mr. Fok Ho Yin, Thomas, Mr. Chan Wai Cheung, Admiral and Mr. Lam Ho Pong.