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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, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Easyknit International Holdings Limited (永義國際集團有限公司*), you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**EASYKNIT INTERNATIONAL HOLDINGS LIMITED****永義國際集團有限公司****(incorporated in Bermuda with limited liability)***(Stock Code: 1218)****MAJOR TRANSACTION****DISPOSAL OF SECURITIES OF
HONG KONG EXCHANGES AND CLEARING LIMITED**

7 December 2017

* for identification purposes only

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DEFINITIONS

In this circular, unless the contents otherwise requires, the following expressions have the meanings as set out below:

“Aggregate Disposal”	the aggregate transaction of the Disposal and the Previous MT Disposal
“Board”	the board of Directors
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of Stock Exchange
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Company, through its subsidiaries, for a total of 592,000 HKEx Shares during the period from 23 October 2017 to 13 November 2017 for a gross sale proceeds of approximately HK\$134,724,900
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKEx”	Hong Kong Exchanges and Clearing Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 388)
“HKEx Shares”	shares with a par value of HK\$1.00 each in the share capital of HKEx
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party(ies) independent of the Company and connected persons of the Company
“Latest Practicable Date”	4 December 2017, being the latest practicable date prior to the printing of this circular for ascertaining information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“major transaction”	as defined in the Listing Rules

DEFINITIONS

“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“Previous MT Disposal”	the disposal of 600,000 HKEx Shares between 13 July 2017 and 12 September 2017 for an aggregate principal amount of approximately HK\$126,874,000 constitutes a major transaction for the Company, details were set out in the Company’s announcement dated 14 September 2017
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1218)

Executive Directors:

Mr. Tse Wing Chiu Ricky
(President and Chief Executive Officer)
Ms. Lui Yuk Chu
(Vice President)
Ms. Koon Ho Yan Candy

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Mr. Tsui Chun Kong
Mr. Jong Koon Sang
Mr. Hon Tam Chun

*Head office and principal place of
business in Hong Kong*

Block A, 7th Floor
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan
Kowloon
Hong Kong

7 December 2017

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

DISPOSAL OF SECURITIES OF HONG KONG EXCHANGES AND CLEARING LIMITED

INTRODUCTION

The Group disposed on-market a total of 600,000 HKEx Shares in a series of transactions conducted during the period from 13 July 2017 to 12 September 2017, at an average price of HK\$211.46 per HKEx Share for an aggregate gross sale proceeds of approximately HK\$126,874,000 (excluding transaction costs) (“**Previous MT Disposal**”).

In addition, the Group disposed a total of 592,000 HKEx Shares on the market during the period from 23 October 2017 to 13 November 2017 at an average price of HK\$227.50 per HKEx Share for an aggregate gross sale proceeds of approximately HK\$134,724,900 which constituted a major transaction for the Company (“**Disposal**”).

* for identification purposes only

LETTER FROM THE BOARD

To aggregate the consideration of the Disposal and the Previous MT Disposal, it is still a major transaction to the Company. Herebelow are the details of the Aggregate Disposal:

Date of transaction	No. of shares	Total purchase cost HK\$	Selling price per share HK\$	Gross Sale Proceeds HK\$
Previous MT Disposal				
13 July 2017	50,000	10,130,000	204.720	10,236,000
18 July 2017	50,000	9,938,000	211.040	10,552,000
19 July 2017	70,000	14,074,000	212.629	14,884,000
07 September 2017	70,000	13,927,000	210.057	14,703,997
08 September 2017	90,000	18,135,702	211.067	18,996,000
11 September 2017	160,000	32,584,000	213.225	34,116,000
12 September 2017	110,000	22,336,000	212.600	23,386,000
Disposal				
24 October 2017	30,000	6,204,606	222.20	6,666,000
02 November 2017	60,000	12,501,464	226.00	13,560,000
08 November 2017	140,000	28,886,891	231.17	32,364,000
09 November 2017	70,000	13,707,518	230.17	16,112,000
13 November 2017	120,000	23,372,760	233.70	28,044,000

As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the HKEx Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the HKEx Shares and their ultimate beneficial owners are Independent Third Parties.

1. Information on Disposal

1.1 Assets disposed

The Group disposed of 592,000 HKEx Shares, representing approximately 0.0478% of the issued share capital of HKEx (based on the 1,239,809,477 HKEx Shares as at 31 October 2017 according to publicly available information).

1.2 Gross sale proceeds

The gross sale proceeds of the Disposal is approximately HK\$134,724,900 (excluding transaction costs), which is receivable in cash on settlement. The price for the Disposal represented the market price of the HKEx Shares at the time of the Disposal. The Group shall apply all the proceeds of the Disposal for the acquisition of properties and/or loan financing business.

LETTER FROM THE BOARD

2. Reasons for and benefits of the Disposal

The Group's principal businesses are property investment, property development, securities investment and loan financing business.

The purpose of the Disposal is to obtain a balanced securities investment portfolio. As a result of the Disposal, the Group is expected to recognize a gain of approximately HK\$14,750,500 which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of the transaction costs).

The Disposal was made at market price and the Directors (including the independent non-executive Directors) are of the view that the Disposal will enhance the liquidity of the Company, was fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

3. Financial effects on the Disposal

The Disposal increased the amount of cash of the Group for approximately HK\$13,724,900 (exclusive of transaction costs); and decrease of approximately HK\$119,974,400 in investment; and recognised a gain of approximately HK\$14,750,500 which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of transaction costs).

INFORMATION ON HKEX

According to publicly available information, HKEx is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 388). According to its company profile available on the internet, HKEx is the holding company of the Stock Exchange, Hong Kong Futures Exchange Limited and Hong Kong Securities Clearing Company Limited and brings together the market organisations which have transformed Hong Kong's financial services industry from a domestically focused market to become a central market place in Asia attracting investment funds from all over the world. HKEx was listed in June 2000 following the integration of Hong Kong's securities and derivatives markets. HKEx services comprise trading, clearing and settlement, depository and nominee services, and information services.

LETTER FROM THE BOARD

The following information is extracted from the published documents of HKEx:

	For the nine months ended 30 September 2017	For the year ended 31 December	
	<i>HK\$ million</i>	<i>2016</i>	<i>2015</i>
		<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	9,657	11,116	13,375
Profit before taxation	6,411	6,799	9,278
Net profit after taxation attributable to shareholders of HKEx	5,526	5,769	7,956
Total assets	282,551	247,318	238,193

AGGREGATE DISPOSAL

The total gross sales proceeds of the Aggregate Disposal for 1,192,200 HKEx Shares (representing approximately 0.096% of the total issued shares of HKEx as at 31 October 2017) is approximately HK\$261,598,900.

The Aggregate Disposal increased the amount of cash of approximately HK\$261,598,900 (exclusive of transaction costs); and decreases of approximately of HK\$241,099,100 in the investment; and recognized a gain of approximately HK\$20,499,800 which is calculated on the basis of the difference between the acquisition price and the disposal price (exclusive of transaction costs).

As at the Latest Practicable Date, the Group held 391,541 shares of HKEx represents approximately of 0.032% of its total issued shares.

DISPOSAL ON THE IMPLICATIONS OF LISTING RULES

The Disposal and/or the Aggregate Disposal is a major transaction under the Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the major transaction relating to the Disposal and/or Aggregate Disposal or should the aforesaid major transaction be put forward to the Shareholders for approval at a general meeting of the Company be required to abstain from voting on the resolutions approving the transactions.

LETTER FROM THE BOARD

WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution(s) to be passed at a general meeting of the Company, written approvals of the Disposal and/or Aggregate Disposal have been obtained from Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of the Company with an aggregate interest in 46,609,144 Shares, representing approximately 58.69% of the issued share capital of the Company as at the Latest Practicable Date. Sea Rejoice Limited which holds 17,429,664 Shares, representing approximately 21.95% of the issued shares of the Company, is wholly-owned by Ms. Lui Yuk Chu, the vice president and executive director of the Company. Magical Profits Limited, which holds 29,179,480 Shares, representing approximately 36.74% of the issued shares of the Company is wholly-owned by The Winterbotham Trust Company Limited as the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members (including Ms. Koon Ho Yan Candy, daughter of Ms. Lui Yuk Chu and an executive director of the Company) other than the spouse of Ms. Lui Yuk Chu). Sea Rejoice Limited and Magical Profits Limited are therefore a “closely allied group of shareholders” for the purpose of the Listing Rules.

RECOMMENDATION

The Board considers that the Disposal and/or Aggregate Disposal are fair and reasonable and in the interest of the Company and Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution if the Company were to convene a general meeting to approve the Disposal and/or Aggregate Disposal and the transaction contemplated thereunder.

ADDITIONAL INFORMATION

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

Yours faithfully
For and on behalf of
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

1. FINANCIAL SUMMARY OF THE GROUP

Here below are the details of the published annual reports showing the financial information of the Company:

For the year ended	Published date of annual report	Pages
31 March 2017 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0629/LTN20170629279.pdf</i>	29 June 2017	69 – 173
31 March 2016 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0725/LTN20160725123.pdf</i>	25 July 2016	60 – 161
31 March 2015 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0722/LTN20150722096.pdf</i>	22 July 2015	57 – 153

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account of its available financial resources, in the absence of unforeseen circumstances, the Group will have sufficient working capital for its requirements for the next 12 months from the date of this circular.

3. INDEBTEDNESS

At the close of business on 31 October 2017, being the latest practicable date for ascertaining this information prior to the printing of this circular, the Group had outstanding bank borrowings of approximately HK\$1,156 million, which were guaranteed by the Company and were secured by certain properties of the Group.

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 31 October 2017 any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As mentioned in the annual report of the Company for the year ended 31 March 2017, the Group will continue focus its efforts on the development of its existing principal businesses: (1) property investment; (2) property development; (3) securities investment; and (4) loan financing services and other potential projects with a view to providing steady returns as well as fruitful growth for the Shareholders.

In Hong Kong, despite additional measures imposed by the government to cool the housing market, the impact on the property market was only short-lived. With the prevailing low interest rates and the record high transacted land prices in the recent land auctions, sentiment in the primary property market has been holding up well, with home buyers' confidence remaining generally strong. In view of favourable market sentiment, the Group will continue to promote the sale of the remaining units of Paxton and it expects the launch of the presale of its residential property development at the site of the No. 6 La Salle Road, Kowloon, Hong Kong in late 2017.

In addition, the Group will further extend its principal business and direct its resources to loan financing services and it is expected that such business will continue to be part of the main income stream of the Group.

Meanwhile, the Group will also maintain a stringent financial policy and a prudent cash flow management to ensure reasonable liquidity for the Group's operations as well as for its existing and future investments.

The Directors believe that in such a volatile economic environment, these operations strategies will enable the Group to maintain its competitiveness and mitigate risks, thereby ensuring the Group's sustainable growth.

5. MATERIAL CHANGE

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 March 2017, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date, save as disclosed in:

- (i) the Company's announcement dated 13 April 2017 relating to Good Year Ventures Limited ("GY"), a direct wholly-owned subsidiary of the Company, as the purchaser, entered into the agreement with the seller, pursuant to which amongst other things, GY conditionally agreed to acquire, and the seller agreed to sell the sale share and sale loan of Global Chance Holdings Limited at a total consideration of HK\$129,788,380.75;

- (ii) the Company's announcement dated 15 September 2017 relating to Main Profit Investment Limited ("**Main Profit**"), a wholly-owned subsidiary of the Company, as the lender entered into a loan agreement to provide a facility of HK\$130,000,000 to Jimu Group Holdings Limited ("**Jimu Group**"), an Independent Third Party, for a period of 6 months at an interest rate of 15.5% per annum;
- (iii) the Company's announcement dated 22 September 2017 relating to the Main Profit as the lender entered into a deed of settlement with Jimu Group and Jimu Group agreed to settle the loan repayment amount of HK\$130,000,000 and other relevant expenses incurred in this transaction;
- (iv) a provisional sale and purchase agreement dated 5 July 2017 entered into between Global Chance Holdings Limited ("**GCHL**") and the seller for the sale and purchase of Unit A, ground floor of No. 93, 93A, 95 and 95A Waterloo Road, Kowloon, Hong Kong for a consideration of HK\$41,800,000; and
- (v) the Company's announcement dated 16 November 2017 relating to the entering of a supplemental agreement to revise the term of the loan agreement of 16 November 2016 between Great Sail Global Limited as lender and the borrower to extend the loan period to 14 February 2018.

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 Company. 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 misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests in Shares

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or, chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

(i) Interests in the Company

Number of Director	Capacity	Number of Shares held (long position)	Aggregate number of Shares held	Approximate percentage of interests
Ms. Lui Yuk Chu	Beneficiary of a trust (Note i)	29,179,480	46,609,144	58.69%
	Interest of controlled corporation (Note ii)	17,429,664		
Ms. Koon Ho Yan Candy	Beneficiary of a trust (Note iii)	29,179,480	29,179,480	36.74%

Notes:

- (i) 29,179,480 Shares are registered in the name of and are beneficially owned by Magical Profits Limited which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited (“**Winterbotham Trust**”) as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu and her family members other than her spouse).
- (ii) 17,429,664 Shares are beneficially owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui Yuk Chu.

- (iii) Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

(ii) *Interests in the associated corporation*

Eminence Enterprise Limited (“Eminence”)

Number of director	Capacity	Number of ordinary shares held (long position)	Number of underlying shares held	Approximate percentage of interests	
				Total	
Ms. Lui Yuk Chu	Beneficiary of a trust	457,330,692	593,480,281	1,050,810,973	41.72%

In the 1,050,810,973 shares of Eminence, 93,549,498 shares and 363,781,194 shares of Eminence are registered in the name of and are beneficiary owned by Landmark Profits Limited and Goodco Development Limited respectively, both companies are wholly-owned subsidiaries of the Company. For the 593,480,281 underlying shares, of which 570,880,281 are the underlying shares of convertible notes issued by the Company to the Goodco Development Limited; and the remaining 22,600,000 underlying shares are the share options granted to Ms. Lui Yuk Chu and Mr. Koon Wing Yee (the spouse of Ms. Lui Yuk Chu) on 14 October 2016. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of the Company and is wholly-owned by Ms. Lui Yuk Chu. Magical Profits Limited is interested in approximately 36.74% of the issued share capital of the Company and is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu and her family members other than her spouse).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and/or debentures of the Company and 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 or short positions which any such Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' Interests

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the persons (“**Substantial Shareholders**”) (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital are set out below:

Name of Shareholder	Note	Capacity	Number of Shares held (long position)	Approximate percentage of interest
Lui Yuk Chu	<i>i, ii & iii</i>	Beneficial of a trust	46,609,144	58.69%
Koon Ho Yan Candy	<i>i</i>	Beneficial of a trust	29,179,480	36.74%
Koon Wing Yee	<i>i</i>	Interest of spouse	46,609,144	58.69%
Sea Rejoice Limited	<i>i & ii</i>	Beneficial owner	17,429,664	21.95%
Magical Profits Limited	<i>i & ii</i>	Beneficial owner	29,179,480	36.74%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	29,179,480	36.74%
Winterbotham Trust	<i>i & iii</i>	Trustee	29,179,480	36.74%
Winterbotham Holdings Limited	<i>iii</i>	Interest of controlled corporation	29,179,480	36.74%
Markson International Holdings Limited	<i>iii</i>	Interest of controlled corporation	29,179,480	36.74%
Christopher Geoffrey Douglas Hooper	<i>iii</i>	Interest of controlled corporation	29,179,480	36.74%
Ivan Geoffrey Douglas Hooper	<i>iii</i>	Interest of controlled corporation	29,179,480	36.74%

Notes:

- (i) Out of 46,609,144 Shares, 17,429,664 Shares are beneficially owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui Yuk Chu. The remaining 29,179,480 Shares are registered in the name of and are beneficially owned by Magical Profits Limited, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu, an executive Director, and her family members other than her spouse). Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the 29,179,480 Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust. Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 46,609,144 Shares by virtue of the SFO.
- (ii) Ms. Lui Yuk Chu, being an executive Director, is also a director of Sea Rejoice Limited and Magical Profits Limited.

- (iii) Winterbotham Trust is the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Winterbotham Trust is owned as to 75% by Winterbotham Holdings Limited (“**Winterbotham Holdings**”) and 25% by Markson International Holdings Limited (“**Markson**”) respectively. Winterbotham Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. And Markson is owned as to 60% by Mr. Christopher Geoffrey Douglas Hooper and 40% by Mr. Ivan Geoffrey Douglas Hooper respectively.

Save as disclosed above, as at the Latest Practicable Date, the Directors and chief executive of the Company were not aware of any other persons who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have been engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

4. DIRECTORS’ SERVICE CONTRACTS

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

5. DIRECTORS’ INTERESTS IN COMPETING BUSINESS

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

6. DIRECTORS’ INTEREST IN CONTRACTS AND ASSETS

Save as disclosed in this circular, none of the Directors are interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2017, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to the Company or any of its subsidiaries.

7. MATERIAL CONTRACTS

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

- (a) 1 executed term sheet dated 8 December 2015 for the purchase of the equity linked note (“ELN”) of China Construction Bank Corporation (stock code: 939) for a total consideration of HK\$100,000,000;
- (b) 1 executed term sheet dated 9 December 2015 for the purchase of the ELN of Industrial and Commercial Bank of China Limited (stock code: 1398) for a total consideration of HK\$30,000,000;
- (c) 2 executed term sheets dated 3 May 2016 and 5 May 2016 for the purchase of the ELNs of Ping An Insurance (Group) Co. of China Limited (stock code: 2318) for a total consideration of HK\$79,000,000;
- (d) 6 executed term sheets dated 19 May 2016, 27 June 2016 and 29 September 2016 for the purchase of the ELNs of Hong Kong Exchanges and Clearing Limited (stock code: 388) for a total consideration of HK\$170,000,000;
- (e) 2 executed term sheets dated 30 June 2016 and 30 September 2016 for the purchase of the ELNs of Industrial and Commercial Bank of China Limited (stock code: 1398) for a total consideration of HK\$93,000,000;
- (f) 1 executed term sheet dated 21 September 2016 for the purchase of the ELN of CSOP FTSE China ASO ETF (stock code: 2822) for a consideration of HK\$50,000,000;
- (g) 3 executed term sheet dated 23 September 2016, 28 December 2016 and 28 March 2017 for the purchase of the ELNs of China Construction Bank Corporation (stock code: 939) for a consideration of HK\$120,000,000;
- (h) a loan agreement dated 17 November 2016 entered into between Great Sail Global Limited (“**Great Sail**”), a wholly-owned subsidiary of the Company, as a lender, and Fortunate Gravity Hongkong Limited (“**FG**”), an Independent Third Party to lend up to HK\$100,000,000 for a term of 12 months at the interest rate of 12% per annum. The loan is secured by a share charge;

- (i) a loan agreement dated 7 December 2016 entered into between Planetic International Limited, a wholly-owned subsidiary of the Company, as a lender, and Mr. Ting, an Independent Third Party to lend up to HK\$63,000,000 for a term of 12 months at the interest rate of 8% per annum. The loan is secured by a share charge;
- (j) 3 executed terms sheets dated 3 January 2017, 27 February 2017 and 18 May 2017 for the purchase of the ELNs of Industrial and Commercial Bank of China Limited (stock code: 1398) for a total consideration of HK\$145,000,000;
- (k) 2 executed term sheets dated 20 February 2017 and 4 July 2017 for the purchase of the ELN of Hong Kong Exchanges and Clearing Limited (stock code: 388) for a total consideration of HK\$100,000,000;
- (l) 1 executed term sheet dated 5 May 2017 for the purchase of ELN of Agricultural Bank of China Limited (stock code: 1288) for a consideration of HK\$35,000,000;
- (m) 1 executed term sheet dated 30 June 2017 for the purchase of the ELN of HSBC Holdings plc (stock code: 0005) for a consideration of HK\$50,000,000;
- (n) an agreement dated 13 April 2017 entered into between GY and the seller for the sale and purchase of the sale share and sell loan of Global Chance Holdings Limited;
- (o) a loan agreement dated 15 September 2017 entered into Main Profit Investment Limited (“**Main Profit**”), a wholly-owned subsidiary of the Company, as a lender, and Jimu Group, an Independent Third Party to lend up to HK\$130,000,000 for a term of 6 months at the interest rate of 15.5% per annum. The loan is secured by a share charge and a personal guarantee;
- (p) a deed of settlement dated 22 September 2017 entered into Main Profit and Jimu Group to settle the loan repayment amount of HK\$130,000,000 and other relevant expenses incurred in the transaction; and
- (q) a supplemental agreement dated 16 November 2017 entered into between Great Sail as lender and FG as the borrower to extend due date of the loan agreement to 14 February 2018.

8. GENERAL

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994 with extensive experience in the legal field.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company in Hong Kong is at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular prevails over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three years ended 31 March 2015, 2016 and 2017;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (d) a copy of each circular issued pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules which has been issued since the date of the latest published audited accounts; and
- (e) this circular.