

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**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 shares in Easyknit International Holdings Limited, 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

**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****AGGREGATE PURCHASE OF  
EQUITY LINKED NOTE OF  
HONG KONG EXCHANGES AND CLEARING LIMITED**

---

29 September 2015

\* for identification purposes only

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
<b>APPENDIX I – FINANCIAL INFORMATION OF THE GROUP</b> .....	I-1
<b>APPENDIX II – UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP</b> .....	II-1
<b>APPENDIX III – GENERAL INFORMATION</b> .....	III-1

---

## DEFINITIONS

---

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

“Announcements”	the Company’s announcements dated 7 September 2015 and 22 September 2015
“1st Purchase”	the purchase by the Company, through its wholly-owned subsidiary, of an ELN linked to HKEx for a principal amount of HK\$40,000,000 on 26 August 2015
“2nd Purchase”	the purchase by the Company, through its wholly-owned subsidiary, of an ELN linked to HKEx for a principal amount of HK\$40,000,000 on 2 September 2015
“3rd Purchase”	the purchase by the Company, through its wholly-owned subsidiary, of an ELN linked to HKEx for a principal amount of HK\$40,000,000 on 21 September 2015
“4th Purchase”	the purchase by the Company, through its wholly-owned subsidiary, of an ELN linked to HKEx for a principal amount of HK\$40,000,000 on 22 September 2015
“Aggregate Acquisitions”	the aggregate purchase of the 1st Purchase, 2nd Purchase, 3rd Purchase and 4th Purchase for an aggregate principal amount of HK\$160,000,000
“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
“ELN”	an equity linked note issued by the issuer issued to Ace Winner Investment Limited, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“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)

---

## DEFINITIONS

---

“HKEx Shares”	shares with a par value of HK\$1.00 each in the share capital of HKEx
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	24 September 2015, 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
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“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. Kwong Jimmy Cheung Tim  
*(President and Chief Executive Officer)*  
Ms. Lui Yuk Chu  
*(Vice President)*  
Ms. Koon Ho Yan Candy

*Non-executive Director:*

Mr. Tse Wing Chiu Ricky  
Mr. Lai Law Kau

*Independent Non-executive Directors:*

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

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*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

29 September 2015

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION

### AGGREGATE PURCHASE OF EQUITY LINKED NOTE OF HONG KONG EXCHANGES AND CLEARING LIMITED

#### INTRODUCTION

Reference is made to the Announcements. The Group, through its wholly-owned subsidiary, purchased four ELN linked to HKEx during the period between 26 August 2015 and 22 September 2015 for an aggregate principal amount of HK\$160,000,000.

The purpose of this circular is to provide you with, among other things, (a) details of the Aggregate Acquisitions; (b) the financial information of the Group; (c) the pro-forma information of the Group.

\* for identification purposes only

---

## LETTER FROM THE BOARD

---

### 1ST PURCHASE OF ELN

#### Major Terms

- |    |                   |                |
|----|-------------------|----------------|
| 1. | Trade Date:       | 26 August 2015 |
| 2. | Issuer:           | BNP Paribas    |
| 3. | Linked equity     | HKEx           |
| 4. | Principal amount: | HK\$40,000,000 |
| 5. | Issue price:      | HK\$181.60     |
| 6. | Strike price:     | HK\$143.8272   |
| 7. | Tenor:            | 2 months       |
| 8. | Coupon rate:      | 15% per annum  |

The principal amount of the 1st Purchase has been settled in cash from internal resources of the Company on 9 September 2015.

### 2ND PURCHASE OF ELN

#### Major Terms

- |    |                   |                  |
|----|-------------------|------------------|
| 1. | Trade Date:       | 2 September 2015 |
| 2. | Issuer:           | BNP Paribas      |
| 3. | Linked equity     | HKEx             |
| 4. | Principal amount: | HK\$40,000,000   |
| 5. | Issue price:      | HK\$178.30       |
| 6. | Strike price:     | HK\$138.8244     |
| 7. | Tenor:            | 2 months         |
| 8. | Coupon rate:      | 15% per annum    |

The principal amount of the 2nd Purchase has been settled in cash from internal resources of the Company on 16 September 2015.

### 3RD PURCHASE OF ELN

#### Major Terms

- |    |                   |                        |
|----|-------------------|------------------------|
| 1. | Trade Date:       | 21 September 2015      |
| 2. | Issuer:           | Hang Seng Bank Limited |
| 3. | Linked equity     | HKEx                   |
| 4. | Principal amount: | HK\$40,000,000         |
| 5. | Issue price:      | HK\$185.90             |
| 6. | Strike price:     | HK\$164.0753           |
| 7. | Tenor:            | 2 months               |
| 8. | Coupon rate:      | 15% per annum          |

The principal amount of the 3rd Purchase shall be settled in cash from internal resources of the Company on 7 October 2015.

---

## LETTER FROM THE BOARD

---

### 4TH PURCHASE OF ELN

#### Major Terms

1.	Trade Date:	22 September 2015
2.	Issuer:	Hang Sang Bank Limited
3.	Linked equity	HKEx
4.	Principal amount:	HK\$40,000,000
5.	Issue price:	HK\$187.10
6.	Strike price:	HK\$168.7642
7.	Tenor:	2 months
8.	Coupon rate:	15% per annum

The principal amount of the 4th Purchase shall be settled in cash from internal resources of the Company on 8 October 2015.

#### INFORMATION OF ELN

ELN are designated as financial assets at fair value gain through profit or loss. The ELN is subject to mandatory redemption clause at a strike price until maturity dates depending on the market price of the HKEx underlying the ELN.

At the maturity date, if the ELN is still outstanding, depending on the market price of the HKEx and the strike price, the ELN will be redeemed by the issuer at the principal amount in cash or shares.

#### REASONS AND BENEFITS OF THE AGGREGATE ACQUISITIONS

The Group's principal activities are property investment, property development, investment in securities and loan financing.

The Directors has a view that ELN is one of the investment options that can earn potentially higher interest income (in the form of interest rates) than normal market deposit; and ELN does not have any brokerage charges and clearing fees on the purchase of the underlying shares until the time when the underlying shares are delivered. By capitalising on share movements, it is an opportunity to maximise market opportunities by earning more attractive interest rate, moreover, ELN has a flexible choice in terms of the share counters and tenors.

Having considered the above factors and the terms of ELN, the present market conditions of the stock market and the track record of HKEx, the Directors (including the independent non-executive Directors) are of the view that the Acquisition is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### FINANCIAL EFFECTS OF AGGREGATE ACQUISITIONS ON THE GROUP

The Aggregate Acquisitions will decrease the amount of cash of the Group by the amount of consideration paid for the Aggregate Acquisitions. The Aggregate Acquisitions are expected to have no material impact on the consolidated assets and the earnings of the Group.

### 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.

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

	<b>For the six months ended 30 June 2015 <i>HK\$ million</i></b>	<b>For the year ended 31 December 2014                      2013 <i>HK\$ million                      HK\$ million</i></b>	
Total assets	300,663	251,860	85,943
Revenue	6,853	9,849	8,723
Profit before taxation	4,866	6,038	5,246
Net profit after taxation attributable to shareholders of HKEx	4,095	5,165	4,552

### IMPLICATIONS ON THE LISTING RULES

Under Chapter 14 of the Listing Rules, the Aggregate Acquisitions constitutes a major transaction of the Company. The Aggregate Acquisitions and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders' approval requirements pursuant to 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 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 resolution(s) approving the transaction.



---

## LETTER FROM THE BOARD

---

### WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals of the 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 date of this announcement. 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.

### 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**  
**Kwong Jimmy Cheung Tim**  
*President and Chief Executive Officer*

**1. FINANCIAL SUMMARY OF THE GROUP**

The published audited consolidated financial statements of the Group for the years ended 31 March 2013, 2014 and 2015 are disclosed in the annual reports of the Company for the year ended 31 March 2013, 2014 and 2015 respectively. They can be accessed on the website of the Company ([www.easyknit.com](http://www.easyknit.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

**2. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the completion of Aggregate Acquisitions and its present available financial resources, the Group will have sufficient working capital for its present requirements and for the period up to 12 months from the date of this circular in the absence of unforeseen circumstances.

**3. INDEBTEDNESS**

At the close of business on 31 August 2015, 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\$913.6 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 August 2015 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, guarantees or other material contingent liabilities.

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

For the year 2015/16, the economic growth in Hong Kong was moderate with steady gross domestic product and export rate, low unemployment and inflation rate. At the same time, the retail sales growth dropped significantly as the local consumption demand and tourist spending weakened. But under the support of the favorable policies launched by the central government such as the Shanghai-Hong Kong Stock Connect and the proposed Shenzhen-Hong Kong Stock Connect, it is expected that Hong Kong economy will remain stable.

Following the release of depressed demand from end users, the local property market has been performing well since second quarter of 2014. Meanwhile, persistent property cooling measures continuously affects the local property market. In order to curb to home prices, tightening measures on the mortgage requirements has been launched in February 2015, which is expected to have short term impacts on the the small-to-medium end of secondary residential property market. But due to the solid end user demand for small-to-medium-sized units and continuing formation of new households, the Group is still optimistic about the local property market.

The Group is dedicated to deliver excellence quality with high quality developments. PAXTON, the key project for 2014/15, realizes our core value which has been well recognized by customers. PAXTON achieved satisfactory sales since its initial launch in July 2014. The Group is confident in the sales of this project in 2015/16.

The foundation works at No. 301, 301A-C Prince Edward Road West, Kowloon, Hong Kong is now underway. Such project is expected to be launched in the year 2017.

The influx of capital from China after the Easter Holiday in April 2015 following implementation of the Shanghai-Hong Kong Stock Connect has boosted investment activities in the Hong Kong stock market.

The Group are committed to deliver on the strategy of focusing on core businesses to generate sustainable returns and maximize shareholders wealth.

## **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 2015, being the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

**APPENDIX II****UNAUDITED PRO FORMA STATEMENT OF  
ASSETS AND LIABILITIES OF THE GROUP**

The following is an illustrative and unaudited pro forma statement of assets and liabilities of the Group which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the major transaction of an aggregate purchase of equity linked notes (“ELNs”) for principal amounts of HK\$160,000,000 (the “Major Transaction”) as if the Major Transaction has taken place on 31 March 2015.

This unaudited pro forma statement of assets and liabilities of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the assets and liabilities of the Group had the Major Transaction been completed as at 31 March 2015 or at any future date.

	<b>The Group at 31 March 2015 HK\$'000 (Audited) Note 1</b>	<b>Pro forma adjustment HK\$'000 Note 2</b>	<b>Pro forma total for the Group HK\$'000 (Unaudited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	36,220	–	36,220
Investment properties	2,756,494	–	2,756,494
Available-for-sale investments	97,916	–	97,916
Loans receivable	54,017	–	54,017
Deposit for acquisition of property, plant and equipment	4,249	–	4,249
Deposit and prepayments for a life insurance policy	9,901	–	9,901
	2,958,797	–	2,958,797
<b>Current assets</b>			
Properties held for development for sale	604,918	–	604,918
Deposits and prepayments for acquisition of properties held for development for sale	84,848	–	84,848
Properties held for sale	1,035,599	–	1,035,599
Investments held for trading	325,435	–	325,435
Financial assets designated as at fair value through profit and loss	–	160,000	160,000
Trade and other receivables	93,771	–	93,771
Bills receivable	869	–	869
Loans receivable	100,831	–	100,831
Bank balances and cash	378,520	(160,240)	218,280
	2,624,791	(240)	2,624,551

	The Group at 31 March 2015 <i>HK\$'000</i> (Audited) <i>Note 1</i>	Pro forma adjustment <i>HK\$'000</i>  <i>Note 2</i>	Pro forma total for the Group <i>HK\$'000</i> (Unaudited)
<b>Current liabilities</b>			
Trade and other payables	104,494	–	104,494
Tax payable	29,615	–	29,615
Secured bank borrowings	902,767	–	902,767
	<u>1,036,876</u>	<u>–</u>	<u>1,036,876</u>
<b>Net current assets</b>	<u>1,587,915</u>	<u>(240)</u>	<u>1,587,675</u>
<b>Total assets less current liabilities</b>	<u>4,546,712</u>	<u>(240)</u>	<u>4,546,472</u>
<b>Non-current liabilities</b>			
Secured bank borrowings	635,059	–	635,059
Deferred tax liabilities	16,854	–	16,854
	<u>651,913</u>	<u>–</u>	<u>651,913</u>
	<u>3,894,799</u>	<u>(240)</u>	<u>3,894,559</u>

*Notes:*

1. The figures are extracted from the consolidated statement of financial position of the Group as at 31 March 2015, as set out in the published annual report of the Group for the year ended 31 March 2015.
2. The adjustment represents (i) purchase of ELNs during the period from 26 August 2015 to 22 September 2015 for aggregate consideration of HK\$160,000,000; and (ii) payment of direct expenses, comprising of legal and professional fees of approximately HK\$240,000 in relation to the Major Transaction.
3. No adjustment has been made to remeasure the ELNs, which were acquired subsequent to 31 March 2015 as described in note 2 above, to their fair values as at 31 March 2015 as for the purpose of this pro forma financial information, it is assumed that the ELNs were acquired at their fair values on 31 March 2015.
4. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2015.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON  
THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION**Deloitte.**  
**德勤**德勤•關黃陳方會計師行  
香港金鐘道88號  
太古廣場一座35樓Deloitte Touche Tohmatsu  
35/F One Pacific Place  
88 Queensway  
Hong Kong**TO THE DIRECTORS OF EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Easyknit International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of assets and liabilities of the Group as at 31 March 2015 and related notes as set out on pages II-1 to II-2 of the circular issued by the Company dated 29 September 2015 (the “Circular”). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages II-1 to II-2 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of an aggregate purchase of equity linked notes (the “Major Transaction”) on the Group’s assets and liabilities as at 31 March 2015 as if the Major Transaction had taken place at 31 March 2015. As part of this process, information about the Group’s assets and liabilities has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 March 2015, on which an audit report has been published.

**Directors’ Responsibilities for the Pro Forma Financial Information**

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Major Transaction at 31 March 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants’ judgment, having regard to the reporting accountants’ understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu***Certified Public Accountants*

Hong Kong

29 September 2015



## 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 ( <i>Note i</i> )	29,179,480	46,609,144	58.69%
	Interest of controlled corporation ( <i>Note ii</i> )	17,429,664		
Ms. Koon Ho Yan Candy	Beneficiary of a trust ( <i>Note iii</i> )	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**

*Easyknit Enterprises*

Number of director	Capacity	Number of ordinary shares held (long position)	Number of underlying shares held	Total	Approximate percentage of interests
Ms. Lui Yuk Chu	Beneficiary of a trust (Note iv)	10,370,311	1,877,934	12,248,245	48.37%
Ms. Koon Ho Yan Candy	Beneficiary of a trust (Note v)	10,370,311	1,877,934	12,248,245	48.37%

*Notes:*

- (iv) In the 12,248,245 shares of Easyknit Enterprises, 2,121,304 shares of Easyknit Enterprises and 8,249,007 shares of Easyknit Enterprises are registered in the name of and are beneficially owned by Landmark Profits Limited and Goodco Development Limited respectively, both companies are wholly-owned subsidiaries of the Company. Goodco Development Limited is also interested in 10,126,941 underlying shares of Easyknit Enterprises (subject to adjustment) to be issued upon the full conversion of the 2014 convertible note. 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).
- (v) Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the shares of Easyknit Enterprises by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

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
Koon Wing Yee	<i>i</i>	Interest of spouse	46,609,144	58.69%
Sea Rejoice Limited	<i>i &amp; ii</i>	Beneficial owner	17,429,664	21.95%
Magical Profits Limited	<i>i &amp; 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 &amp; 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) Since 3 June 2014, 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**

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

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 2015 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

**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) the underwriting agreement dated 3 October 2013 entered into between Easyknit Enterprises and Kingston Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 247,163,250 rights shares of Easyknit Enterprises at the subscription price of HK\$0.60 per rights share;
- (b) the subscription agreement dated 16 January 2014 entered into between Easyknit Enterprises and Goodco Development Limited, the substantial shareholder of Easyknit Enterprises and a wholly-owned subsidiary of the Company, as the subscriber, agreed to subscribe a convertible note issued by Easyknit Enterprises in the aggregate principal amount of HK\$100,000,000 which may be converted into 147,058,823 shares of Easyknit Enterprises at the initial conversion price of HK\$0.68 per share (subject to adjustment);
- (c) the placing agreement dated 6 June 2014 entered into between Easyknit Enterprises and Kingston Securities Limited, as the placing agent, to place 65,200,000 new shares of Easyknit Enterprises at a placing price of HK\$0.35 per share;
- (d) the development agreement dated 16 June 2014 entered into between Wise Think Global Limited and Hansford International Investment Limited, a wholly-owned subsidiary of the Company to redevelop the Kowloon Inland Lot No. 2320;
- (e) the placing agreement dated 11 August 2014 entered into between Easyknit Enterprises and Get Nice Securities Limited, as the placing agent, to place 78,000,000 new shares of Easyknit Enterprises at a placing price of HK\$0.30 per share;
- (f) the underwriting agreement dated 5 September 2014 entered into between Easyknit Enterprises and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 450,132,472 rights shares of Easyknit Enterprises at the subscription price of HK\$0.70 per right share;
- (g) the underwriting agreement dated 2 February 2015 entered into between Easyknit Enterprises and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 506,399,020 rights shares at the subscription price of HK\$0.65 per rights share;

- (h) the facility letter dated 26 May 2015 entered into between Cherry Sky Investments Limited, a wholly-owned subsidiary of Easyknit Enterprises, as a lender, and an independent third party to lend up to HK\$70,000,000 for a period of 12 months. The borrower shall pay interest to the lender on the loan at the rate of 8% per annum. The loan is secured by share charges and personal guarantee;
- (i) the subscription agreement dated 29 May 2015 entered into between Easyknit Enterprises and an independent third party, as the subscriber, agreed to subscribe a convertible note issued by Easyknit Enterprises in the aggregate principal amount of HK\$86,000,000 which may be converted into 101,176,470 shares of Easyknit Enterprises at the initial conversion price of HK\$0.85 per share (subject to adjustment);
- (j) the loan agreement dated 10 June 2015 entered into between the Group as lender with an independent third party to lend HK\$185,000,000 for a period of twelve months. The borrower shall pay interest to the lender on the loan at the rate of 17% per annum. The loan is secured by share charges and personal guarantees; and
- (k) the 4 executed term sheets of the ELN linked to HKEx.

## 8. EXPERT AND CONSENT

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

<b>Name and Address</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu 35th Floor, One Pacific Place 88 Queensway Hong Kong	Certified Public Accountants

As at the Latest Practicable Date, the above expert did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2015 (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 Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letters and the reference to its name in the form and context in which it appears.

**9. 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 HM11, 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.

**10. 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 containing audited consolidated financial statements of the Company for the three years ended 31 March 2013, 2014 and 2015;
- (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.