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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a 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 and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or other agent through whom the sale(s) or transfer(s) was/were effected for transmission to the purchaser(s) or the transferee(s).

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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****FULL ACCEPTANCE OF PROVISIONAL ENTITLEMENT  
UNDER THE RIGHTS ISSUE OF  
EMINENCE ENTERPRISE LIMITED**

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23 November 2016

\* *for identification purposes only*

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## DEFINITIONS

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

“2014CB”	the 2% per annum coupon rate convertible note issued by Eminence on 27 March 2014 in the aggregate principal amount of HK\$100,000,000 conferring rights to convert Eminence Shares on the basis of the then prevailing conversion price of HK\$22.72 per Eminence Share, of which the total outstanding amount is HK\$20,000,000
“2015CB”	the 2% per annum coupon rate convertible note issued by Eminence on 12 June 2015 in the aggregate principal amount of HK\$86,000,000 conferring rights to convert Eminence Shares on the basis of the then prevailing conversion price of HK\$0.33 per Eminence Share, no conversion rights has been exercised yet
“Acceptance Time”	4:00 p.m. on Monday, 16 January 2017 (or such other time or date as the Underwriter may agree in writing with Eminence as the latest date for acceptance of, and payment of, Rights Shares)
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday, Sunday or public holiday or a day on which typhoon signal 8 or above or black rainstorm is hoisted in Hong Kong at 9:00 a.m.) on which banks are generally open for business in Hong Kong
“China Rise”	China Rise Securities Asset Management Company Limited as one of the Underwriters in the Underwriting Agreement, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management) under the SFO
“Company” or “Easyknit International”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 1218)
“Convertible Notes”	2 convertible notes issued by Eminence to a connected party and an independent third party respectively

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## DEFINITIONS

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“Director(s)”	the director(s) of the Company
“Eminence”	Eminence Enterprise Limited, an exempt company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 616)
“Eminence Directors”	the directors of Eminence
“Eminence Group”	Eminence and its subsidiaries
“Eminence Independent Shareholder(s)”	the Eminence Shareholder(s), other than Landmark Profits and Goodco, who are not involved in, nor interested in, the Underwriting Agreement
“Eminence Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of Eminence
“Eminence Shareholder(s)”	holder(s) of share(s) of Eminence
“FW Building”	a building is known as Fung Wah Factorial Building which is situated at No. 646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong with a total of 32 units
“FW Remaining Units”	9 units of FW Building which are: <ol style="list-style-type: none"><li>(1) Units A1, C1 and D of ground floor;</li><li>(2) Units A, B and D of 1st floor;</li><li>(3) Unit D of 2nd floor;</li><li>(4) Unit D of 4th floor; and</li><li>(5) Unit A of 5th floor</li></ol>
“Get Nice”	Get Nice Securities Limited as one of the Underwriters in the Underwriting Agreement, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 regulated activity (advising on securities), Type 6 regulated activity (advising on corporate finance) and Type 9 regulated activity (asset management) under the SFO
“Goodco”	Goodco Development Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly owned subsidiary of the Company, being a substantial shareholder (as defined in the Listing Rules) of Eminence
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Announcement”	the joint announcement of the Company and Eminence dated 13 October 2016 in relation to, among other things, the Rights Issue and the Undertakings
“Landmark Profits”	Landmark Profits Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company, being a substantial shareholder (as defined in the Listing Rules) of Eminence
“Latest Practicable Date”	21 November 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Matheson Remaining Unit”	ground floor of No. 11 Matheson Street, Causeway Bay, Hong Kong
“Ordinance”	Land (Compulsory Sale for Redevelopment) Ordinance (Cap. 545)
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“PRC”	the People’s Republic of China
“Record Date”	Friday, 23 December 2016 or such other date as the Underwriters may agree in writing with Eminence as the date by reference to which entitlements to the Rights Issue are expected to be determined
“Registrar”	Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights to the qualifying shareholders of Eminence for subscription on the terms to be set out in the prospectus documents and summarised herein

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## DEFINITIONS

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“Rights Share(s)”	Eminence Shares to be issued and allotted under the Rights Issue, being not less than 4,685,496,177 Eminence Shares based on the issued share capital of Eminence as at the Latest Practicable Date, or if full exercise of the outstanding Convertible Notes and share options, and no Eminence Shares being repurchased by Eminence on or before the Record Date, an aggregate of not more than 5,808,955,200 Eminence Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.103 per Rights Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“Undertakings”	the conditional irrevocable undertakings dated 13 October 2016 from Landmark Profits and Goodco to Eminence and the Underwriters as described in the section headed “The Undertakings” in this circular
“Underwriters”	China Rise and Get Nice
“Underwriting Agreement”	the underwriting agreement dated 13 October 2016 entered into between Eminence and the Underwriters in relation to the underwriting and certain other arrangements in respect of the Rights Issue
“Underwritten Shares”	being all the Rights Shares other than the Rights Shares to be provisionally allotted to and accepted by Landmark Profits and Goodco pursuant to the Undertakings under the Underwriting Agreement
“%”	percentage

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Kwong Jimmy Cheung Tim  
*(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

*Non-executive Directors:*

Mr. Tse Wing Chiu Ricky  
Mr. Lai Law Kau

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

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

*Independent Non-executive Directors:*

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

23 November 2016

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR TRANSACTION**

### **FULL ACCEPTANCE OF PROVISIONAL ENTITLEMENT UNDER THE RIGHTS ISSUE OF EMINENCE ENTERPRISE LIMITED**

#### **INTRODUCTION**

Reference is made to the joint announcement of the Company and Eminence dated 13 October 2016 in relation to, among other things, the Undertakings given by each of Landmark Profits and Goodco on 13 October 2016 in favour of Eminence and the Underwriters for the subscription of Rights Shares pursuant to the Rights Issue.

\* *for identification purposes only*

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, further details of the subscription of the Rights Shares under the Rights Issue pursuant to the Undertakings and the transactions contemplated thereunder.

### THE UNDERTAKINGS

The Company, through Landmark Profits and Goodco, are interested in 457,330,692 Eminence Shares, representing approximately 29.28% of the total issued share capital of Eminence. Pursuant to the Underwriting Agreement, Landmark Profits and Goodco have given the Undertakings in favour of Eminence and the Underwriters where, among other things, (1) Landmark Profits and Goodco will subscribe for the 280,648,494 Rights Shares and 1,091,343,582 Rights Shares respectively to which they will be entitled pursuant to the terms of the Rights Issue; (2) the Eminence Shares comprising their current shareholding in Eminence will remain registered in their respective names at the Record Date as they are on the date of the Undertakings; and (3) they will procure that their applications in respect of their 280,648,494 Rights Shares and 1,091,343,582 Rights Shares respectively comprising their respective entitlements under the Rights Issue will be lodged with the share registrar of Eminence, with payment in full therefor, by no later than the Acceptance Time and otherwise in accordance with the instructions printed on the PAL(s).

The obligations of Landmark Profits and Goodco under the Undertakings are conditional upon the Underwriting Agreement becoming unconditional in accordance with its terms. If the conditions are not fulfilled, all liabilities of Landmark Profits and Goodco thereunder shall cease and the undertakings shall lapse, and no party shall have any claims against the other for matters referred to in the Undertakings. Landmark Profits and Goodco will not apply for any excess Rights Shares.

The Rights Shares, when allotted, fully-paid or credited as fully-paid and issued shall rank pari passu in all respects with the Eminence Shares then in issue, including the right to reserve all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares. Dealing in the Rights Shares will be subject to payment of Government stamp duty in Hong Kong.

### Consideration

The Company shall pay a total amount of approximately HK\$141.3 million to subscribe in full its entitlement of 1,371,992,076 Rights Shares under the Rights Issue at the subscription price of HK\$0.103 per Rights Share. The consideration shall be fully satisfied in cash by internal resources of the Company.

The subscription price was arrived at after arm's length negotiation between Eminence and the Underwriters with reference to the scale of the Rights Issue, the market price of the Eminence Shares and the prevailing market conditions.



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## LETTER FROM THE BOARD

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### **Conditions precedent**

Completion of the subscription for 1,371,992,076 Rights Shares pursuant to the Undertakings is conditional upon, among other things, the passing of the necessary resolution by the Shareholders to approve, among other things, the subscription of Rights Shares under the Rights Issue pursuant to the Undertakings. As further described below, written approvals for the aforesaid resolution have been obtained from Sea Rejoice Limited and Magical Profits Limited, who in aggregate owns approximately 58.69% of the issued share capital of the Company.

### **Reasons of the Rights Issue and use of proceeds**

Eminence Group is principally engaged in (i) property investment, comprising the rental of investment properties; (ii) property development; (iii) securities investment; and (iv) loan financing business.

The estimated net proceeds of the Rights Issue shall be not less than approximately HK\$478.2 million and not more than approximately HK\$592.8 million. The Eminence Directors confirmed that a total of approximately 40% and 42% of the net proceeds shall be utilised for the acquisitions of the Matheson Remaining Unit and FW Remaining Units respectively; and approximately 9% shall be utilised for the acquisition of overseas investment properties and the remaining 9% shall be used as the working capital of the Company.

### ***Matheson Remaining Unit***

Pursuant to section 3(1) of the Ordinance, the Company had filed an application to the Lands Tribunal in December 2015 for an order to sell all the undivided shares in a building where the purposes of redevelopment as to acquire the Matheson Remaining Unit. According to the legal advisers of Eminence, the grant of sale order and public auction may require about 9 months to 14 months from the date of application. The timing will depend on, amongst other things, the response time by the owner of the Matheson Remaining Unit. Pursuant to a court order dated 8 September 2016, the mediation between the Company and the owner of the Matheson Remaining Unit has been done on 25 October 2016 and no settlement was reached and shall proceed to Lands Tribunal for action.

A total of HK\$29 million raised through previous fund raising activities has thus far been earmarked for the acquisition of the Matheson Remaining Unit. Having considered the facts above, namely (i) the aforesaid sale order and public auction by the Lands Tribunal may be granted in early 2017, which is close to the expected completion time of the Proposed Rights Issue in late January 2017 as scheduled; and (ii) it is possible that an agreement may be reached with the view that it is prudent for Eminence to conduct the Rights Issue at the current time in order to obtain the necessary funding to prepare for the potential acquisition of or the possible public auction for the Matheson Remaining Unit, as the case may be.

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## LETTER FROM THE BOARD

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The Eminence Directors however noted that it is possible that an agreement may be reached before the court granted an order for sale (negotiations with the owner of the Matheson Remaining Unit has been conducted simultaneously with the aforesaid application), therefore the funds of the Rights Issue may have to be used at any time before the grant of the order for sale. The sale order may be granted by the court in early 2017.

### *FW Remaining Units*

As at the Latest Practicable Date, the Eminence Group via its subsidiaries is the owner of 21 units of the FW Building and the purchase of 5 more units of the FW Building is/to be completed in October and November 2016. Herebelow is the summary of the acquisition of the units of FW Building:

#### *1st Phase Acquisition*

The Eminence Group is the owner of Unit B, 1/F of the FW Building (“**GI Property**”) since 11 November 2015. The Eminence Group acquired the GI Property from the Group at an acquisition cost of HK\$6,800,000 and this transaction was approved by the Eminence Independent Shareholders on 7 October 2015 and completed on 11 November 2015. Details of this transaction are disclosed in Eminence’s circular dated 14 September 2015.

#### *2nd Phase Acquisition*

The Eminence Group has completed the acquisition of 20 units of the FW Building (“**TAI Properties**”) from Independent Third Parties for an aggregate acquisition cost of HK\$51,981,000. This transaction was approved by the Eminence Shareholders on 1 August 2016 and completed on 5 August 2016. Details of this transaction are disclosed in Eminence’s circular dated 15 July 2016.

To aggregate the GI Property and TAI Properties, the Eminence Group totally owns 21 units of the FW Building which represents 66.67% of the undivided shares of the FW Building (as contemplated by section 3(1) of the Ordinance).

#### *3rd Phase Acquisition*

Pursuant to Eminence’s announcement dated 9 August 2016, 5 more units of the FW Building (“**DLL Properties**”) are to be purchased from the Independent Third Parties via the acquisition of the sale share and sale loan of Daily Leader Limited (“**DLL**”). The aggregate purchase cost of DLL and DLL Properties is HK\$64,525,000. This transaction was approved by the Eminence Shareholders on 7 October 2016 and was/shall be completed in mid-October and mid-November 2016 respectively. Details of this transaction are disclosed in Eminence’s circular dated 15 September 2016.

To aggregate the GI Property, TAI Properties and DLL Properties, the Eminence Group totally owns 26 units of the FW Building which represents 80% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance).

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## LETTER FROM THE BOARD

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### *4th Phase Acquisition*

As at the Latest Practicable Date, Eminence has made known to the property agent and the owners of the FW Remaining Units that Eminence has intention to purchase the FW Remaining Units and the negotiations with them are ongoing. The Eminence Board estimated that the total costs to acquire the FW Remaining Units is approximately HK\$156,000,000. The Eminence Directors however noted that it is possible that an agreement(s) may be reached before the court granted an order for sale (negotiations with the owners of the FW Remaining Units have been conducted simultaneously with the aforesaid application), therefore the funds of the Rights Issue may have to be used at any time.

On the other hand, Eminence shall make application to the Lands Tribunal for an order to sell the undivided shares of the FW Building site for redevelopment purpose at the time when any of the owners are asking the selling price which is unreasonable and much higher than the comparables and the indication of the valuation. As at the Latest Practicable Date, Eminence does not have a concrete timing to submit the application under the Ordinance as it depends on, but without limitation to the success level in the ongoing negotiations with the owners of the FW Remaining Units and the sentiment in the property market for redevelopment.

### *Investment in Overseas Investment Properties*

Since all the investment properties of Eminence are Hong Kong properties, in order to balance and diversify the investment property segment, Eminence is exploring the opportunity in the oversea property market and may invest in the PRC, Taiwan or the United Kingdom. Eminence may consider to invest in the non-residential property with a reasonable return of yield and also the factors of the location with the traffic flow and any future growth in the rental. Furthermore, the overall legal and commercial background, financial environment and the jurisdictions are also the factors that Eminence will consider. Detailed information on several overseas sale properties have been provided by the overseas agents and any investment of the oversea property is subject to Eminence having sufficient financial resources. As at the Latest Practicable Date, Eminence has not identified any specific acquisition target.

### **Reasons for the Undertakings**

The Directors consider the Undertakings to be fair and reasonable and believe that the subscription of the Rights Shares pursuant to the Undertakings is in the interests of the Company and the Shareholders as a whole, the reasons being:

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## LETTER FROM THE BOARD

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**(1) Maintaining the pro-rata shareholding after the Rights Issue**

By subscribing the Rights Shares, the Company (through Landmark Profits and Goodco) will be able to maintain the pro-rata shareholding in Eminence immediately upon the completion of the Rights Issue as illustrated in the following table:

**Scenario 1: No exercise of the outstanding Convertible Notes and Eminence share options**

	As at the Latest Practicable Date		Immediately after the completion of the Rights Issue (all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after the completion of the Rights Issue (only Landmark Profits and Goodco have subscribed the Rights Shares)	
	<i>No. of Eminence Shares</i>	<i>%</i>	<i>No. of Eminence Shares</i>	<i>%</i>	<i>No. of Eminence Shares</i>	<i>%</i>
<b>Substantial shareholders</b>						
Landmark Profits	93,549,498	5.99	374,197,992	5.99	374,197,992	5.99
Goodco	363,781,194	23.29	1,455,124,776	23.29	1,455,124,776	23.29
<b>Sub-total</b>	457,330,692	29.28	1,829,322,768	29.28	1,829,322,768	29.28
<b>Public</b>						
- Underwriters	0	0	0	0	3,313,504,101	53.04
- Other public shareholders	1,104,501,367	70.72	4,418,005,468	70.72	1,104,501,367	17.68
<b>Total</b>	<u>1,561,832,059</u>	<u>100.00</u>	<u>6,247,328,236</u>	<u>100.00</u>	<u>6,247,328,236</u>	<u>100.00</u>

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## LETTER FROM THE BOARD

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### Scenario 2: Assuming full exercise of all outstanding Convertible Notes and share options of Eminence but no further issue of new Eminence Shares or repurchase of Eminence Shares by Eminence from the Latest Practicable Date up to and including the Record Date

	Immediately upon full exercise of all outstanding Convertible Notes and full utilise the Scheme Mandate Limited before Record Date		Immediately after the completion of the Rights Issue (all Rights Shares are subscribed by the qualifying shareholders)		Immediately after the completion of the Rights Issue (only Landmark Profits and Goodco have subscribed the Rights Shares)	
	<i>No. of</i> <i>Eminence Shares</i>	%	<i>No. of</i> <i>Eminence Shares</i>	%	<i>No. of</i> <i>Eminence Shares</i>	%
<b>Substantial shareholders</b>						
<i>Landmark Profits</i>	93,549,498	4.83	374,197,992	4.83	374,197,992	4.83
<i>Goodco</i>						
– ordinary Eminence Shares	363,781,194	18.79	1,455,124,776	18.79	1,455,124,776	18.79
– underlying Eminence Shares of the outstanding 2014CB	880,281	0.05	3,521,124	0.05	3,521,124	0.05
<b>Sub-total</b>	458,210,973	23.66	1,832,843,892	23.66	1,832,843,892	23.66
<b>Holders of share options</b>	113,000,000	5.84	452,000,000	5.84	113,000,000	1.46
<i>Public</i>						
– holder of 2015CB	260,606,060	13.46	1,042,424,240	13.46	260,606,060	3.36
– Underwriters	0	0	–	0	4,434,322,281	57.25
– other public shareholders	1,104,501,367	57.04	4,418,005,468	57.04	1,104,501,367	14.26
<b>Total</b>	<b>1,936,318,400</b>	<b>100.00</b>	<b>7,745,273,600</b>	<b>100.00</b>	<b>7,745,273,600</b>	<b>100.00</b>

#### (2) *Eminence future development in the property market*

The Board is optimistic about the future prospects of Eminence, including in respect of its acquisition of the Matheson Remaining Unit and FW Remaining Units as mentioned under the section headed “Reasons of the Rights Issue and use of proceeds” above. The Board believes that the Rights Issue will strengthen the capital base of Eminence so that Eminence will be in a position to capture more business opportunities associated with its principal business engagements in the future.

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## LETTER FROM THE BOARD

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### (3) *Subscription of Rights Shares*

As mentioned above, the estimated net proceeds to be received by Eminence from the Rights Issue will be approximately not less than HK\$478.2 million. The indirect interest of the Company in the share capital of Eminence immediately upon completion of Rights Issue will not be diluted and remain to 32.44%.

### INFORMATION OF THE GROUP AND THE EMINENCE GROUP

The Group's principal businesses are in property investment, property development, securities investment and money lending business. The Group currently holds various commercial, industrial and residential properties in Hong Kong.

Eminence is an associate of the Group and the Eminence Group is currently engaged in property investment, property development, securities investment and loan financing business.

The following information is extracted from the audited financial statements of Eminence for the two financial years ended 31 March 2016 and 2015 respectively:

	For the year ended 31 March	
	2016	2015
	HK\$'000	HK\$'000
Turnover	103,439	192,489
Profit (loss) before taxation	(61,238)	35,118
Profit (loss) after taxation	(69,268)	31,086
	As at 31 March	
	2016	2015
	HK\$'000	HK\$'000
Net assets	2,324,444	1,562,645

### FINANCIAL EFFECTS OF THE SUBSCRIPTION OF RIGHTS SHARES ON THE GROUP

It will decrease the amount of cash of the Group by the amount of the consideration paid for the subscription of Rights Shares. They are expected to have no material impact on the consolidated assets and the earnings of the Group.

### LISTING RULES IMPLICATION

The consideration for the subscription in full for the entitlement under the Rights Shares exceeds 25% but less than 100% of certain applicable percentage ratios (as defined under the Listing Rules) and therefore constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

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## LETTER FROM THE BOARD

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### WRITTEN SHAREHOLDERS APPROVAL

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 or should the 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 approving the major transaction.

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 have been obtained from Sea Rejoice Limited and Magical Profits Limited, being the substantial Shareholders 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 share capital of the Company, is wholly-owned by Ms. Lui Yuk Chu, the vice president and an executive director of the Company and Eminence. Magical Profits Limited, which holds 29,179,480 Shares, representing approximately 36.74% of the issued share capital of the Company is wholly-owned by Winterbotham Trust Company Limited as 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, a daughter of Ms. Lui Yuk Chu, and an executive director of the Company and Eminence) 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

Having taken into account that, (i) the Rights Issue is able to strengthen the capital base of Eminence so that Eminence will be in a position to capture more business opportunities associated with its principal business engagements in the future; and (ii) the Undertakings are given in order to support and maintain the value of the Company’s investment in Eminence, which will in turn provide the Company an opportunity to enjoy the future return of Eminence, the Board considers that the subscription of Rights Shares pursuant to the Undertakings and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### ADDITIONAL INFORMATION

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

Yours faithfully  
For and on behalf of the Board  
**Easyknit International Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*Chairman and Chief Executive Officer*

**1. FINANCIAL SUMMARY OF THE GROUP**

Herebelow are the details of the published annual/interim reports showing the financial information of the Company:

<b>For the year ended</b>	<b>Publication date of annual report</b>	<b>Pages</b>
31 March 2016 ( <a href="http://www.easyknit.com/sites/default/files/en/downloads/report/annual/en-2015-ew_01218ar-26062016_0.pdf">http://www.easyknit.com/sites/default/files/en/downloads/report/annual/en-2015-ew_01218ar-26062016_0.pdf</a> )	25 July 2016	60 – 161
31 March 2015 ( <a href="http://www.easyknit.com/sites/default/files/en/downloads/report/annual/en-2014-ew_01218ar-29062015.pdf">http://www.easyknit.com/sites/default/files/en/downloads/report/annual/en-2014-ew_01218ar-29062015.pdf</a> )	22 July 2015	57 – 153
31 March 2014 ( <a href="http://www.easyknit.com/sites/default/files/en/downloads/report/annual/en-2013-ew_1218frp-20140718q4.pdf">http://www.easyknit.com/sites/default/files/en/downloads/report/annual/en-2013-ew_1218frp-20140718q4.pdf</a> )	23 July 2014	58 – 157

**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 2016, 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\$976.7 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 2016 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, 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 2016, the China economy had been grown at a slower rate than the government target of 7% in 2015, the continuous sliding of the Chinese and Hong Kong stock markets in the past months, the financial uncertainties about the pace of increase in interest rate in the United States and the instabilities in the European economy, which are expected to cloud the global economic outlook. As Hong Kong's economic performance hinges on global economic and financial conditions, these uncertain factors may affect property market sentiment in the months ahead. However, we expect the market to remain buoyant with more projects coming onto the market at competitive pricing levels and strong end user demand driving sales.

The Group will continue to closely monitor market changes and proactively refine its sales and pricing strategies of PAXTON according to the market conditions. It will adopt specific measures to speed up the sales of inventories and cash inflows. Meanwhile, it will accelerate the development pace and strive to swiftly destock saleable resources in order to enhance its competitiveness in the market. In addition, the Group will continue to adhere to its principle of steady development and endeavor to improve the development of existing projects so as to increase the asset turnover rate. Meanwhile, the Group strives to improve the debt structure, adjust the projects' management system in respect of management models and construction cost in order to enhance the profitability of the Group.

According to the Hong Kong 2016/2017 budget, the forecasted GDP growth rate for 2016 is one to two percent, which is lower than the growth rate of 2015. Looking forward for the growth of the money lending business, the Group shall seize business opportunities on the increasing demand for mortgage loans and expand its loan portfolio. The Group is confident about the future performance of its property mortgage loan portfolio, interest income and profit; and it believes that it will generate stable returns to its shareholders in the foreseeable future.

To keep profitable in the securities investment business, the Company reviews the performance of its existing investment portfolio and evaluating the investment potentials of other investment opportunities available to the Company. The Company shall make suitable investment decisions which broadens and diversifies its investment portfolio with a view of realizing and/or optimizing the expected return and minimizing the risks.

**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 2016, 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.

**1. FINANCIAL SUMMARY OF THE EMINENCE GROUP**

<b>For the year ended</b>	<b>Published date of annual report</b>	<b>Pages</b>
31 March 2016 ( <a href="http://www.eminence-enterprise.com/wp-content/uploads/2016/Annual/e_2015-Annual-Report.pdf">http://www.eminence-enterprise.com/wp-content/uploads/2016/Annual/e_2015-Annual-Report.pdf</a> )	15 July 2016	61-157
31 March 2015 ( <a href="http://www.eminence-enterprise.com/wp-content/uploads/Financial_Reports/2014-Annual-Report.png">http://www.eminence-enterprise.com/wp-content/uploads/Financial_Reports/2014-Annual-Report.png</a> )	21 July 2015	60 – 145
31 March 2014 ( <a href="http://www.eminence-enterprise.com/wp-content/uploads/Financial_Reports/2013-Annual-Report.png">http://www.eminence-enterprise.com/wp-content/uploads/Financial_Reports/2013-Annual-Report.png</a> )	09 July 2014	52 – 146

**2. WORKING CAPITAL**

The Eminence Directors are of the opinion that, after taking into account of its present available financial resources and the estimated net cash proceeds from the Rights Issue, the Eminence Group has sufficient working capital for the next 12 months from the date of this circular in the absence of unforeseen circumstances.

**3. INDEBTEDNESS**

At the close of business on 31 October 2016, being the latest practicable date for ascertaining this information prior to the printing of this circular, the Eminence Group had outstanding bank borrowings of approximately HK\$267.2 million, which were guaranteed by Eminence and were secured by certain properties of the Eminence Group.

Apart from as disclosed above and intra-group liabilities, the Eminence Group did not have at the close of business on 31 October 2016 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, or other material contingent liabilities.

**BUSINESS REVIEW OF THE EMINENCE**

For the year ended 31 March 2016, the Group recorded a turnover of HK\$103,439,000, representing a decrease of HK\$89,050,000 or 46.3% from HK\$192,489,000 for the year 2015.

Loss attributable to owners of the Company for the year ended 31 March 2016 amounted to HK\$69,268,000 (2015: profit of HK\$31,086,000). The loss was mainly attributable to the loss on fair value changes of investment properties in Hong Kong of approximately HK\$33,399,000, the impairment loss recognised in the project of Inverness Road, Kowloon, Hong Kong which is a property under development for sale is HK\$15,511,000 and the fair value losses on investment held for trading, bonds and equity linked notes.

The basic loss per share for the year ended 31 March 2016 was HK\$0.14 (2015: basic earnings per share was HK\$100.04).

**FINANCIAL AND TRADING PROSPECTS OF EMINENCE**

As mentioned in the annual report of the Company for the year ended 31 March 2016, the China economy had been grown at a slower rate than the government target of 7% in 2015, the continuous sliding of the Chinese and Hong Kong stock markets in the past months, the financial uncertainties about the pace of increase in interest rates in the United States and the instabilities in the European economy, which are expected to cloud the global economic outlook. As Hong Kong's economic performance hinges on global economic and financial conditions, these uncertain factors may affect property market sentiment in the months ahead.

However, we expect the market to remain buoyant with more projects coming onto the market at competitive pricing levels and strong end user demand driving sales.

The Group will continue to closely monitor market changes, continue to adhere to its principle of steady development and endeavor to improve the development of the Project Inverness so as to increase the asset turnover rate. Meanwhile, the Group strives to improve the debt structure, adjust the project's management system in respect of management models and construction cost in order to enhance the profitability of the Group.

The turnover of the garment and sourcing export businesses continues decreasing due to the transferring of customer orders, shrinking profit margins and declining sales, the Board is now further evaluating this business segment and shall take appropriate action.

For the Project Matheson, it is now in the mediation process with the owner of the remaining unit in the Land (Compulsory Sale for Redevelopment) Ordinance; and the Sale order may be granted by the court in about September 2016. For the Project Inverness, the foundation works has commenced and to be completed in September 2016; and it is expected to be launched in the year 2018.

For the securities investment business, the Company reviews the performance of its existing investment portfolio and evaluating the investment potentials of other investment opportunities available to the Company. The Company shall make suitable investment decisions which broadens and diversifies its investment portfolio with a view of realizing and/or optimizing the expected return and minimizing the risks.

Looking forward to 2016/17, the Group shall emphasize the business segments of property development and securities investment; and to explore further quality investment opportunities to enhance its shareholders wealth.

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF  
THE GROUP UPON COMPLETION OF THE RIGHTS ISSUE**

**A.      UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF  
THE GROUP**

The following unaudited pro forma statement of assets and liabilities of the Group has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the subscription in full for the entitlement under the proposed issue of rights shares by Eminence on the basis of three rights shares for every one share of HK\$0.01 each at HK\$0.103 per rights share (the “Subscription”) as if the Subscription had taken place on 31 March 2016.

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 Proposed Transaction been completed as at 31 March 2016 or at any future date.

	<b>The Group at 31 March 2016</b>	<b>Pro forma adjustment</b>	<b>Pro forma total for the Group</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	
<b>Non-current assets</b>			
Property, plant and equipment	5,041	–	5,041
Investment properties	1,615,500	–	1,615,500
Interests in associates	952,092	141,315	1,093,407
Available-for-sale investments	350,222	–	350,222
Convertible notes	63,672	–	63,672
Derivative component of convertible notes	17,170	–	17,170
Loans receivable	43,552	–	43,552
Deposit and prepayments for a life insurance policy	9,997	–	9,997
	<u>3,057,246</u>	<u>141,315</u>	<u>3,198,561</u>
<b>Current assets</b>			
Properties held for development for sale	106,513	–	106,513
Properties held for sale	650,527	–	650,527
Investments held for trading	64,695	–	64,695
Trade and other receivables	74,690	–	74,690
Loans receivable	158,848	–	158,848
Bank balances and cash	12,332	(12,332)	–
	<u>1,067,605</u>	<u>(12,332)</u>	<u>1,055,273</u>

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF  
THE GROUP UPON COMPLETION OF THE RIGHTS ISSUE**

	The Group at 31 March 2016 <i>HK\$'000</i> <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>
<b>Current liabilities</b>			
Trade and other payables	87,018	129,233	216,251
Tax payable	41,917	–	41,917
Secured bank borrowings	224,773	–	224,773
	353,708	129,233	482,941
<b>Net current assets</b>	713,897	(141,565)	572,332
<b>Total assets less current liabilities</b>	3,771,143	(250)	3,770,893
<b>Non-current liabilities</b>			
Secured bank borrowings	677,248	–	677,248
Deferred tax liabilities	895	–	895
	678,143	–	678,143
	3,093,000	(250)	3,092,750

*Notes:*

1. The figures are extracted from the consolidated statement of financial position of the Group as at 31 March 2016, as set out in the published annual report of the Group for the year ended 31 March 2016.
2. Assuming that the Company does not buy or sell shares of Eminence or exercise conversion rights of the outstanding 2014CB issued by Eminence from the Latest Practicable Date up to the Record Date, the number of shares of Eminence held by the Company is 457,330,692 shares. The number of rights shares of Eminence of which the Company is entitled is 1,371,992,076 shares on the basis of three rights shares for every one share of HK\$0.01 each at HK\$0.103 per rights share. The adjustment represents (i) subscription of 1,371,992,076 rights shares on the basis of three rights shares for every one share of HK\$0.01 each at HK\$0.103 per rights share for an aggregate consideration of approximately HK\$141,315,000 and (ii) payment of direct expenses, comprising legal and professional fees, of approximately HK\$250,000 in relation to the Subscription.
3. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2016.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT  
ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL  
INFORMATION**

**Deloitte.**

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We have completed our assurance engagement to report on the compilation of unaudited 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 unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities of the Group as at 31 March 2016 and related notes as set out in Section A of Appendix III to the circular issued by the Company dated 23 November 2016 (the “Circular”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Section A of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the subscription in full for the entitlement under the proposed rights issue by Eminence Enterprise Limited on the basis of three rights shares for every one share at HK\$0.103 per rights share (the “Subscription”) on the Group’s assets and liabilities as at 31 March 2016 as if the Subscription had taken place at 31 March 2016. 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 2016, on which an auditor’s report has been published.

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

The Directors are responsible for compiling the unaudited 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 (the “HKICPA”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited 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 unaudited 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 accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited 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 unaudited 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 unaudited pro forma financial information.

The purpose of unaudited 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 event or transaction at 31 March 2016 would have been as presented.



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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF  
THE GROUP UPON COMPLETION OF THE RIGHTS ISSUE**

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A reasonable assurance engagement to report on whether the unaudited 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 unaudited 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 unaudited pro forma adjustments give appropriate effect to those criteria; and
- The unaudited 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 unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited 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 unaudited 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 unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
Certified Public Accountants  
Hong Kong  
23 November 2016

## 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	Total	Approximate percentage of interests
Ms. Lui Yuk Chu	Beneficiary of a trust ( <i>Note iv</i> )	457,330,692	880,281	458,210,973	29.32%
Ms. Koon Ho Yan Candy	Beneficiary of a trust ( <i>Note v</i> )	457,330,692	880,281	458,210,973	29.32%

*Notes:*

- (iv) In the 457,330,692 shares of Eminence, 93,549,498 shares of Eminence and 363,781,194 shares of Eminence 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 880,281 underlying shares of Eminence (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 Eminence 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) 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 2016, 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) the underwriting agreement dated 2 February 2015 entered into between Eminence 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;
- (b) the facility letter dated 26 May 2015 entered into between Cherry Sky Investments Limited, a wholly-owned subsidiary of Eminence, 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;
- (c) the subscription agreement dated 29 May 2015 entered into between Eminence and an independent third party, as the subscriber, agreed to subscribe a convertible note issued by Eminence in the aggregate principal amount of HK\$86,000,000 which may be converted into 101,176,470 shares of Eminence at the initial conversion price of HK\$0.85 per share (subject to adjustment);
- (d) 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;
- (e) a sale and purchase agreement dated 6 August 2015 entered into between Power Bright Investments Limited as purchaser and Easyknit Properties Holdings Limited (“**Easyknit Properties**”) as vendor in relation to the dispose of the sale share and sale loan of Grow Well Profits Limited for a consideration of HK\$137,770,000;
- (f) a sale and purchase agreement dated 6 August 2015 entered into between Eminence as purchaser and Easyknit Properties as vendor in relation to the dispose of the sale share and sale loan of Supertop Investment Limited for a consideration of HK\$60,750,000;

- (g) a sale and purchase agreement dated 6 August 2015 entered into between New Pursuit Limited as purchaser and Easyknit Properties as vendor in relation to the dispose of the sale share and sale loan of Golden Top Properties Limited for a consideration of HK\$29,800,000;
- (h) a sale and purchase agreement dated 6 August 2015 entered into between Fresh Smart Investments Limited as purchaser and Easyknit Properties as vendor in relation to the dispose of the sale share and sale loan of Janson Properties Limited for a consideration of HK\$11,680,000;
- (i) 4 executed term sheets dated 26 August 2015, 2 September 2015, 21 September 2015 and 22 September 2015 respectively for the purchase of the ELNs of Hong Kong Exchanges and Clearing Limited (stock code: 388) for a total consideration of HK\$160,000,000;
- (j) 3 executed term sheets dated 13 November 2015 and 10 December 2015 respectively for the purchase of the ELNs of China Construction Bank Corporation (stock code: 939) for a total consideration of HK\$170,000,000;
- (k) 2 executed term sheets dated 11 November 2015 and 9 December 2015 respectively for the purchase of the ELNs of Industrial and Commercial Bank of China Limited (stock code: 1398) for a total consideration of HK\$80,000,000;
- (l) 3 executed term sheets dated 16 September 2015, 3 May 2016 and 5 May 2016 respectively for the purchase of the ELNs of Ping An Insurance (Group) Co. of China Limited (stock code: 2318) for a total consideration of HK\$119,000,000;
- (m) 6 executed term sheets dated 19 May 2016, 27 June 2016 and 29 September 2016 respectively for the purchase of the ELNs of Hong Kong Exchanges and Clearing Limited (stock code: 388) for a total consideration of HK\$120,000,000;
- (n) 2 executed term sheets dated 30 June 2016 and 30 September 2016 respectively 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;
- (o) 1 executed term sheet dated 21 September 2016 for the purchase of the ELNs of CSOP FTSE China ASO ETF (stock code: 2822) for a consideration of HK\$50,000,000; and
- (p) 1 executed term sheet dated 23 September 2016 for the purchase of the ELN of China Construction Bank Corporation (stock code: 939) for a consideration of HK\$40,000,000.

**8. EXPERT AND CONSENT**

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

<b>Name</b>	<b>Qualification</b>
Deloitte Touche Tohmatsu	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 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 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 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.



**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 for the three years ended 31 March 2014, 2015 and 2016;
- (c) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma statement of assets and liabilities of the Group as set out in Appendix II to this circular;
- (d) the letter of consent referred to in the paragraph headed "Expert and Consent" in this appendix;
- (e) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (f) 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
- (g) this circular.