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

If you have sold or transferred all your 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.

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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****ACQUISITION OF SALE SHARE AND SALE LOAN**

10 May 2017

* *for identification purposes only*

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DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Share and Sale Loan by GY subject to the terms and conditions of the Agreement
“Aggregate Cost”	the aggregate total cost of HK\$332,869,023.25 including the Sale Share Consideration, Sale Loan Consideration and the balance of the aggregate purchase price of the Property Purchase Agreements of HK\$274,845,982.50
“Agreement”	an agreement dated 13 April 2017 entered into between GY and the Seller for the sale and purchase of Sale Share and Sale Loan
“associates”	the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Building”	the building situated at Nos. 93, 93A, 95 and 95A Waterloo Road, Kowloon, Hong Kong
“Company”	Easyknit International Holdings Limited (永義國際集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion of Acquisition”	completion of the sale and purchase of Sale Share and Sale Loan on or before 27 June 2017
“Completion Date”	the date fixed for completion of the Properties, which is expected to be on 28 June 2017, or such other dates the parties may agree in writing
“Consideration”	the consideration of HK\$129,788,380.75 includes the amount of Sale Share Consideration and Sale Loan Consideration paid/to be paid to the Seller and the stamp duty cost of HK\$71,765,340 paid to the Stamp Office of IRD by the Company
“Director(s)”	director(s) of the Company
“Enlarged Group”	the Group immediately after the completion of the Acquisition
“GCHL”	Global Chance Holdings Limited, a company incorporated in British Virgin Islands, which is wholly-owned by the Seller

DEFINITIONS

“Group”	the Company and its subsidiaries
“GY”	Good Year Ventures Limited, a company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“IRD”	Inland Revenue Department of Hong Kong Special Administrative Region
“Latest Practicable Date”	9 May 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Ordinance”	the Land (Compulsory Sale for Redevelopment) Ordinance, Cap 545, Laws of Hong Kong
“percentage ratios”	the meaning ascribed thereto in Chapter 14 of the Listing Rules
“PRC”	the People’s Republic of China
“Properties”	11 units of the Building which are: (1) Unit B, ground floor (2) Unit C, ground floor (3) Unit D, ground floor (4) Unit A, 1st floor (5) Unit B, 1st floor (6) Unit C, 1st floor (7) Unit D 1st floor (8) Unit A, 2nd floor (9) Unit B, 2nd floor (10) Unit C, 2nd floor (11) Unit D, 2nd floor

DEFINITIONS

“Property Purchase Agreement(s)”	the 11 provisional agreements entered into between GCHL and each of the Property Vendor(s) in relation to the sale and purchase of the Properties
“Property Vendors”	the respective vendor(s) of each of the Property Purchase Agreements(s), each of which are Independent Third Parties
“Remaining Unit”	unit A, ground floor of the Building
“Sale Loan”	the entire amount of the shareholder’s loan of HK\$102,303,774.50 owing by GCHL to the Seller as at the Completion Date
“Sale Loan Consideration”	the consideration of HK\$30,538,442.50 to acquire the Sale Loan
“Sale Share”	one ordinary share of US\$1.00 in the share capital of GCHL, which has been issued and fully paid up and which represents the entire issued share capital of GCHL at completion
“Sale Share Consideration”	the consideration of HK\$27,484,598.25 to acquire the Sale Share
“Seller”	Mr. Ng Kwai Tung, an individual person who is an Independent Third party
“sq.ft.”	square foot or square feet
“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

LETTER FROM THE BOARD



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1218)

Executive Directors:

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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

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

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

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

10 May 2017

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

ACQUISITION OF SALE SHARE AND SALE LOAN

INTRODUCTION

Reference was made to the Company's announcement dated 13 April 2017. The Directors announced that the Agreement was entered into between GY, a directly wholly-owned subsidiary of the Company, as purchaser with the Seller, pursuant to which, GY agreed to acquire, and the Seller agreed to sell the Sale Share and the Sale Loan at a total consideration of HK\$129,788,380.75 of which HK\$71,765,340 was the stamp duty cost levied on the Property Purchase Agreements which was paid to Stamp Office of IRD by the Company on 20 April 2017. The Sale Share represents 100% equity interest in GCHL whilst the Sale Loan represents the entire amount of shareholder's loan owing by GCHL to the Seller as at the Completion Date. The Aggregate Cost of the Acquisition and the completion of the Property Purchase Agreements is HK\$332,080,643.50.

* *for identification purposes only*

LETTER FROM THE BOARD

GCHL is the purchaser under the Property Purchase Agreements. As at the Latest Practicable Date, the acquisition of GCHL will enable the Group to acquire the Properties, which represent 11 units out of 12 units in the Building.

The Properties represents approximately 91.67% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance). The Group intends to acquire the Remaining Unit so as to be the owner of the whole Building and may contemplate to redevelop it into a residential building if and when the Directors consider market sentiment to be appropriate.

As the applicable percentage ratios (as defined in the Listing Rules) of the Acquisition exceeds 25% but are less than 100%, the Acquisition constitutes a major transaction under Rule 14.06(3) of the Listing Rules, and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

The purpose of this circular is to provide you with (i) details of the Acquisition; (ii) financial information of the Group; (iii) accountant's report on GCHL; (iv) unaudited pro forma statement of assets and liabilities of the Enlarged Group; and (v) independent property valuation report of the Properties.

PRINCIPAL TERMS OF THE AGREEMENT

Date : 13 April 2017 (after trading hours)

Purchaser : GY, being the purchaser

Seller : an individual person who is the legal and beneficial owner of the entire issued share capital of GCHL, being the seller

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller is an Independent Third Party. Prior to the Agreement, there was no arrangements between the Company and the Seller in relation to the Property Purchase Agreements.

Assets to be acquired

Pursuant to the Agreement, amongst other things, GY has conditionally agreed to acquire from the Seller the Sale Share, representing the entire issued share capital of GCHL, and the Sale Loan.

GCHL is legally and beneficially interested in the Properties of the Building located at Nos. 93, 93A, 95 and 95A Waterloo Road, Kowloon, Hong Kong. The Building comprises 12 residential units with a total saleable area of approximately 13,821 sq.ft. Upon completion of the Acquisition, GCHL will become a wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD

Condition Precedent

Completion of the Agreement is conditional upon the fulfillment of the following conditions on or prior to the Completion Date:

1. a due diligence review being carried out on GCHL by, and having been completed to the satisfaction of, GY in its sole discretion;
2. no event having occurred which in the reasonable opinion of the Purchaser could be construed as being capable of preventing completion of the Property Purchase Agreements, or which could frustrate or make illegal or impossible the completion of the Property Purchase Agreements or make any of them unenforceable; and
3. the warranties provided by the Seller under the Agreement remain true and accurate in all respects.

Consideration of Acquisition

The consideration for the Sale Share and the Sale Loan is HK\$129,788,380.75 shall be paid in cash as follows:

1. the deposit in the sum of HK\$102,303,782.50 comprises Sale Loan Consideration was paid to the Seller on or before 20 April 2017 and the stamp duty of HK\$71,765,340 was paid to Stamp Office of IRD by the Company;
2. the first further deposit of HK\$12,215,377 shall be paid to the Seller on or before 10 May 2017;
3. the second further deposit of HK\$9,161,532.75 shall be paid to the Seller on or before 30 May 2017; and
4. the balance of HK\$6,107,688.50 shall be paid to the Seller upon the delivery of the audited completion account of GCHL on or before 27 June 2017.

LETTER FROM THE BOARD

The Consideration was determined after arm's length negotiations between the GY and the Seller on normal commercial terms with reference to (i) the sole assets of the Properties; (2) the Properties represent approximately 91.67% of the undivided shares of the Building and only one Remaining Unit has not purchased yet, this facilitates the Company to redevelop the site into a residential building in a faster pace; (iii) the prevailing market prices of the properties of similar nature available in the localities; (iv) the current Hong Kong property market sentiment; and (v) the Company's available funds. Though the Consideration is a premium of approximately HK\$27.5 million to the purchase price of the Property Purchase Agreements, after taking into account of the above, the Directors are of the view that the terms of the Agreement are fair and reasonable and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

1. 3 types of valuation as mentioned in the valuation report in Appendix IV to the circular:
 - (a) market value in the existing state of the Properties for HK\$126,400,000;
 - (b) the site value of the 100% interests of the land with vacant possession is HK\$350,000,000 (“**VP Valuation**”); and
 - (c) the apportioned site value interests of the Properties of the land with vacant possession is HK\$313,700,000 (“**APD Valuation**”).
2. The unit rate of the comparable transactions are in the range of about HK\$8,366 to HK\$10,388 per sq.ft for domestic units and about HK\$18,944 to HK\$29,001 per sq.ft for en bloc residential buildings;
3. the average unit rate of the APD Valuation is HK\$22,697 per sq.ft.; and
4. the potential for the redevelopment to a residential building.

The Aggregate Cost HK\$332,869,023.25 is slightly higher than the APD Valuation HK\$313,700,000 as set out in the valuation report (Appendix IV to the circular), but the Directors have taken into account the average purchasing price per sq.ft. of the Properties is approximately HK\$24,100 which falls within the scope of the above item 2 relating to the unit rate per sq.ft. of en block residential buildings, the Directors believes that the redevelopment value should be higher than the VP Valuation and APD Valuation because its prime location and its potential for residential redevelopment, therefore the Directors has a view that the Acquisition is in the interests of the Group and is on normal commercial terms, which is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

The Completion of Acquisition is on or before 27 June 2017 and the Group shall fund the Acquisition from internal resources of the Group including the existing banking facilities.

LETTER FROM THE BOARD

Acquisition of the Properties by GCHL

During the period from 27 March 2017 to 29 March 2017, GCHL entered into 11 provisional agreements with 11 different Property Vendors for the acquisition of a total of 11 units of the Building. The completion of all the Property Purchase Agreements is expected to be on or before 28 June 2017. The total consideration for the acquisition of the Properties under the Property Purchase Agreements is HK\$305,384,425 and shall be funded by the internal resources of the Group including the existing banking facilities.

Details of the Property Purchase Agreements

	Date of provisional sale and purchase agreement	Undivided Shares
1. Unit B, ground floor	27 March 2017	2/24
2. Unit C, ground floor	27 March 2017	2/24
3. Unit D, ground floor	27 March 2017	2/24
4. Unit A, 1st floor	27 March 2017	2/24
5. Unit B, 1st floor	27 March 2017	2/24
6. Unit C, 1st floor	29 March 2017	2/24
7. Unit D, 1st floor	27 March 2017	2/24
8. Unit A, 2nd floor	27 March 2017	2/24
9. Unit B, 2nd floor	27 March 2017	2/24
10. Unit C, 2nd floor	27 March 2017	2/24
11. Unit D, 2nd floor	27 March 2017	2/24

The Building was completed in 1956 which comprises a 3-storey residential building with 12 units and the total saleable area of the Properties is 13,821 sq.ft and the total consideration of the Property Purchase Agreements is HK\$305,384,425, therefore the average purchase cost of per sq.ft. is approximately HK\$22,096 which falls within the average unit rate of the APD Valuation.

2 units of the Properties are subject to the tenancy agreements that by the terms may still in force at the latest time completion of the Property Purchase Agreements. Such tenancies will be expired in mid-2018.

GCHL has paid a total of HK\$1,100,000 as deposits under the Property Purchase Agreements (representing approximately 0.36% of the total consideration under all the Property Purchase Agreements) to the Property Vendors. On 20 April 2017, the signing date of the formal sale and purchase agreement between GCHL and the Property Vendors, GCHL paid a total of HK\$29,438,442.50 to the Property Vendors; and upon the Completion of Acquisition, GCHL will then become a wholly-owned subsidiary of the Group, hence, the Group will be responsible for paying the balance of the purchase price for the Properties to the Property Vendors for HK\$274,845,982.50 on the Completion Date, through GCHL.

Since GCHL is the wholly-owned subsidiary of the Company upon Completion of Acquisition, then its financial statements will be consolidated to the Company's financial statements.

The Directors confirmed that the completion of all the Property Purchase Agreements will be on the Completion Date.

LETTER FROM THE BOARD

FUTURE FUND RAISING EXERCISES

As at the Latest Practicable Date, the Company does not have any concrete fund raising plans in the next 12 months. The Company shall make further announcements in the future in accordance with the Listing Rules as and when appropriate if any suitable fund raising opportunities arise, having regard to the financing needs, business plans and circumstances of the Company at the time.

As at the Latest Practicable Date, the Company has no plan, arrangement, understanding or intention for any potential acquisitions, and no negotiations was taking place in relation to any potential new acquisition.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group currently holds various commercial, industrial and residential properties in Hong Kong. GCHL is the purchaser under the Property Purchase Agreements. The acquisition of Sale Share and Sale Loan of GCHL will enable the Group to acquire the Properties, which represent 11 of the 12 units in the Building and represents over 91.67% of the undivided shares of the Building (as contemplated by section 3(1) of the Ordinance). The Group intends to acquire the Remaining Unit so as to be the owner of the whole Building and may contemplate to redevelop into a residential building if and when the Directors consider market sentiment to be appropriate. The Company shall issue a further announcement to inform the Shareholders when the purchase of the Remaining Unit is completed.

The Seller is an experienced property agent and negotiator to negotiate with the owners of the buildings which have the potential for redevelopment purpose and therefore the Seller is only aiming at re-selling the Properties to the developer on or before the completion of the Property Purchase Agreements and the Seller has no intention to complete the Property Purchase Agreements by himself. The Seller started the negotiation process with the Property Vendors for more than a year and the relationship between the Property Vendors and the Seller is based on the trust in terms of the Property Vendors believing that the Seller shall bargain with the developer for a good and reasonable price to acquire their units in a whole lot, therefore the Property Vendors themselves shall decline other offers provided by other developer and they will only sell the Properties to the Seller. The Seller approached the management of the Company directly and made verbal offers to the Company in late December 2016 and the preliminary negotiation between the Company and the Seller commenced in late January 2017.

The Board considered the terms of the Acquisition offered by the Seller, the Board has a view that if the Company accepts the offer, the Company can minimize the time cost and administration cost in handling the “bargain price” from the landlords and shall facilitate the redevelopment of the Building site in a faster pace. Therefore, the Directors, including the independent non-executive Directors, are of the view that the Acquisition is in the interests of the Group and is on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECTS ON THE ACQUISITION

Earnings

As rental income will be generated from the Properties, based on the rental income generated for the year ended 31 March 2017, the acquisition of GCHL and Properties will generate approximately HK\$194,000 on the Group's earnings on rental income.

Assets and Liabilities

Based on the unaudited pro forma statement of assets and liabilities of the Enlarged Group as set out in Appendix III to this circular, the effect of the Acquisition is that (i) the deposits paid for properties held for development by the Group will increase by approximately HK\$129.8 million and (ii) the cash reserve will decrease by approximately HK\$130.2 million. The Acquisition will have no potential effect on the Group's liabilities because the Group will only utilise its internal resources for the expenses and costs incurred in the Acquisition and the purchase of the Properties.

INFORMATION OF THE SELLER

The Seller is an experienced property agent and a negotiator to negotiate with the owners of the buildings which have the potential for redevelopment purpose and therefore the Seller is only aiming at to re-sell the Properties to the developer on or before the completion of the Property Purchase Agreements, therefore the Seller has no intention to complete the Property Purchase Agreements by himself. The Seller started the negotiation process with the Property Vendors for more than a year and the relationship between the Property Vendors and the Seller is based on trust in terms of the Property Vendors believe that the Seller shall bargain with the developer for a good and reasonable price to acquire their units in a whole lot, therefore the Property Vendors themselves shall decline other offers provided by other developer and they will only sell the Properties to the Seller. The Seller approached the management of the Company directly and made verbal offers to the Company in early December 2016 and the preliminary negotiation between the Company and the Seller commenced in January 2017.

INFORMATION ON GCHL

GCHL was incorporated on 2 March 2017 and has never carried on any business save for entering into the Property Purchase Agreements. Accordingly, from the date of incorporation of GCHL up to the date of the Agreement, there are no profits attributable to GCHL. The net asset value of GCHL as at 13 April 2017 is US\$1.00.

GCHL sole material assets are the 11 Provisional Agreements and deposits and capitalised expenses paid for investment properties and its rights under the Property Purchase Agreements. The liabilities of GCHL consist of a debt (owed to the Seller) of HK\$102,303,775 and its liabilities under the Property Purchase Agreements.

LETTER FROM THE BOARD

INFORMATION ON THE COMPANY AND THE PURCHASER

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

The Purchaser is an investment holding company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of the Company.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Chapter 14 of the Listing Rules, the Acquisition constitutes a major transaction of the Company. The Acquisition and the transactions contemplated thereunder are subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, there is no Shareholder who has a material interest in Acquisition and is required to abstain from voting on the resolution for the approval of the Acquisition, should it be put forward for the approval of the Shareholders at the general meeting of the Company.

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 Acquisition 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 circular.

RECOMMENDATION

The Board considers that the terms of the Agreement have been entered into arm's length negotiation and the terms of the Agreement are fair and reasonable and in the interest of the Company and Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution if the Company were to convene a general meeting to approve the Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

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

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

1. FINANCIAL SUMMARY OF THE GROUP

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

For the year ended	Published date of annual report	Pages
31 March 2016 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0725/LTN20160725123.pdf</i>	25 July 2016	60 – 161
31 March 2015 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0722/LTN20150722096.pdf</i>	22 July 2015	57 – 153
31 March 2014 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0723/LTN20140723414.pdf</i>	23 July 2014	58 – 157
For the six months ended	Published date of interim report	Pages
30 September 2016 <i>http://www.hkexnews.hk/listedco/listconews/SEHK/2016/1222/LTN20161222201.pdf</i>	22 December 2016	21 – 52

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 March 2017, being the latest practicable date for ascertaining this information prior to the printing of this circular, the Group had outstanding principal amount of bank borrowings of approximately HK\$900.2 million, which were both 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 March 2017 any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As mentioned in the interim report of the Company for the six months ended 30 September 2016, the residential property markets in Hong Kong will likely be supported in Hong Kong because of the pace of rate hikes in the US relatively slow and interest rates being expected to stay low for an extended period of time, the recovery in the primary, as well as the secondary. However, despite the pickup in sales activity in overall residential market, any increase in prices will likely be mild as they are expected to be suppressed by a seemingly substantial increase in supply of the residential units in the coming few years. In view of improving market sentiment, the Group will continue to promote the sale for the remaining units of PAXTON in Hong Kong and shall launch its new residential project in Prince Edward Road West in late 2017.

Going forward, the Group will review its current operations from time to time and will continue to explore other investment opportunities that have earning potentials, in order to expand its existing operations and to diversify its business to maximise the interests of the Group and the Shareholders as a whole.

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, save as disclosed in

- (i) the Company's announcement dated 17 November 2016 relating to a secured loan of HK\$100,000,000 granted to Fortunate Gravity Hongkong Limited, an Independent Third Party, for a term of 12 months at the interest rate of 12% per annum;
- (ii) the Company's announcement dated 7 December 2016 relating to a secured loan of HK\$63,000,000 granted to Mr. Ting, an Independent Third Party for a term of 12 months at the interest rate of 8% per annum; and
- (iii) the Company's announcement dated 1 March 2017 relating to the subscription of a convertible note of Eminence Enterprise Limited ("**Eminence**") by Goodco Development Limited ("**Goodco**"), an indirect wholly-owned subsidiary of the Company, for a principal amount of HK\$16,000,000 for 5 years with a coupon interest of 5% per annum. The Company, via Goodco, held 23.92% interests in Eminence and Eminence is the associated company of the Company.

6. MANAGEMENT DISCUSSION AND ANALYSIS ON GCHL

GCHL is an investment holding company and has no material financial interest other than investment in the Properties and has not commenced any business operation since its incorporation on 2 March 2017. Set out below is the management discussion and analysis on GCHL for the period from 2 March 2017 (date of incorporation) to 30 April 2017 (the "**Period**").

Financial and Business Review

GCHL had been principally engaged in investment holding during the Period. There are no profits attributable to GCHL.

Capital Structure, Financial Resources and Liquidity

The net asset value of GCHL as at 30 April 2017 is HK\$8 and its material assets are the Property Purchase Agreements, the deposits paid and the rights under the Property Purchase Agreements. The non-current asset was HK\$102,303,783 which consisted of deposits paid under the Property Purchase Agreements and stamp duty paid. The current liability of GCHL consists of a shareholder's loan of HK\$102,303,775. GCHL financed its operation mainly by loans from its sole shareholder. All loans are unsecured and interest free.

Business Strategies and Future Prospects

Other than investment in the Properties, GCHL has no any material future prospects.

Other Financial Information of GCHL***Capital Commitment***

GCHL did not have any significant capital commitment other than the commitment under the Property Purchase Agreements.

Significant Investments

Save as the investment in Properties, there was no significant investment held by GCHL during the Period.

Acquisition or Disposal of Subsidiary

GCHL had no acquisition or disposal of subsidiary during the Period.

Employees and Staff Policy

GCHL is an investment holding company and had no employee during the Period.

Pledge of Assets

As at 30 April 2017, GCHL has no pledged assets.

Future Plans for Material Investments or Capital Assets

As at 30 April 2017, save as disclosed in the investment of Properties, GCHL has no plans for material investments or capital assets.

Gearing Ratio

As at 30 April 2017, the gearing ratio of GCHL expressed in total bank borrowings as a percentage of net assets was nil%.

Foreign Exchange Exposure

During the Period, the business operation of GCHL is in Hong Kong, therefore GCHL has minimal exposure to foreign exchange and there are no significant amounts of foreign currency denominated monetary assets and liabilities other than Hong Kong dollars.

Contingent Liabilities

As at 30 April 2017, GCHL did not have any significant contingent liabilities.



Suite 3408, 34th Floor,
China Resources Building,
26 Harbour Road, Wanchai,
Hong Kong

10 May 2017

The Board of Directors
Easyknit International Holdings Limited
Block A, 7th Floor
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan, Kowloon
HONG KONG

Dear Sirs

We set out below our report on the financial information relating to Global Chance Holdings Limited (the “Target Company”) including the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period from 2 March 2017 (date of incorporation) to 30 April 2017 (the “Relevant Period”), and the statement of financial position as at 30 April 2017 together with the notes thereto (the “Financial Information”) for inclusion in the circular of Easyknit International Holdings Limited (the “Company”) dated 10 May 2017 in connection with the Company’s proposed acquisition of the entire issued share capital and shareholder’s loan of the Target Company (the “Circular”).

The Target Company was incorporated in the British Virgin Islands on 2 March 2017 with limited liability and is principally engaged in property investment. The registered office of the Target Company is located at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

No statutory audited financial statements of the Target Company for the Relevant Period have been prepared as it was newly incorporated since 2 March 2017 and there are no statutory audit requirements under the relevant rules and regulations in the British Virgin Islands. For the purpose of this report, the sole director of the Target Company has prepared the financial statements (“Underlying Financial Statements”) for the Relevant Period in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). We have undertaken an independent audit of the financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information of the Target Company for the Relevant Period set out in this report has been prepared based on the Underlying Financial Statements for the purpose of preparing a report for inclusion in the Circular. No adjustments were considered necessary to adjust the Underlying Financial Statements in preparing our report for inclusion in the Circular.

DIRECTOR'S RESPONSIBILITY

The sole director of the Target Company is responsible for the contents of the Circular including the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by HKICPA, the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) and for such internal control as the sole director of the Target Company determines is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANT'S RESPONSIBILITY

Our responsibility is to compile the Financial Information set out in this report from the Underlying Financial Statements and to report our opinion to you.

We have examined the Underlying Financial Statements of the Target Company and carried out appropriate procedures as we considered necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA. We have not audited any financial statements of the Target Company in respect of any period subsequent to 30 April 2017.

OPINION IN RESPECT OF THE FINANCIAL INFORMATION

In our opinion, the Financial Information, for the purpose of this report and on the basis of presentation set out below, gives a true and fair view of the affairs of the Target Company as at 30 April 2017 and of its results and cash flows for the Relevant Period in accordance with HKFRSs.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 2 March 2017 (date of incorporation) to 30 April 2017

	<i>Notes</i>	<i>HK\$</i>
TURNOVER	7	–
<i>Less:</i> Administrative expenses		–
Other operating expenses		–
Finance costs		–
PROFIT/LOSS BEFORE TAXATION	8	–
Taxation	10	–
NET PROFIT/LOSS FOR THE PERIOD		–
Other comprehensive income		–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		–
BASIC PROFIT/LOSS PER SHARE	11	–

STATEMENT OF FINANCIAL POSITION

As at 30 April 2017

	<i>Notes</i>	<i>HK\$</i>
ASSETS AND LIABILITIES		
NON-CURRENT ASSET		
Deposits and capitalised expenses paid for investment properties		<u>102,303,783</u>
		<u>102,303,783</u>
CURRENT LIABILITY		
Amount due to the sole director/shareholder	<i>12</i>	<u>(102,303,775)</u>
NET CURRENT LIABILITIES		<u>(102,303,775)</u>
NET ASSETS		<u><u>8</u></u>
EQUITY		
Share capital	<i>13</i>	8
Retained earnings/accumulated losses		<u>–</u>
TOTAL EQUITY		<u><u>8</u></u>

STATEMENT OF CHANGES IN EQUITY

Period from 2 March 2017 (date of incorporation) to 30 April 2017

	Share capital <i>HK\$</i>	Retained earnings/ accumulated losses <i>HK\$</i>	Total <i>HK\$</i>
Issuance of one ordinary share of US\$1.00 – <i>Note 13</i>	8	–	8
Total comprehensive income for the Relevant Period	–	–	–
Balance at 30 April 2017	<u>8</u>	<u>–</u>	<u>8</u>

STATEMENT OF CASH FLOWS*Period from 2 March 2017 (date of incorporation) to 30 April 2017*

	<i>Notes</i>	<i>HK\$</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/loss before taxation	8	–
Adjustment		–
		<hr/>
Operating profit/loss before movements in working capital and cash generated from/used in operations		–
Income tax paid		–
		<hr/>
NET CASH FROM/USED IN OPERATING ACTIVITIES		<hr/>
CASH FLOWS FROM INVESTING ACTIVITY		
Deposits and capitalised expenses paid for investment properties		<hr/> (102,303,783)
NET CASH USED IN INVESTING ACTIVITY		<hr/> (102,303,783)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of one ordinary share		8
Advance from the sole director/shareholder		<hr/> 102,303,775
NET CASH FROM FINANCING ACTIVITIES		<hr/> 102,303,783
NET INCREASE IN CASH AND CASH EQUIVALENTS		–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE RELEVANT PERIOD		<hr/> –
CASH AND CASH EQUIVALENTS AT END OF THE RELEVANT PERIOD		<hr/> <hr/> –
ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS		
Cash and bank balances		<hr/> <hr/> –

II. NOTES ON THE FINANCIAL INFORMATION

1. General

The Target Company is a private company incorporated in the British Virgin Islands with limited liability and its registered office is located at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands. During the Relevant Period, the principal activity of the Target Company is property investment.

The Financial Information are presented in Hong Kong dollars (“HK\$” or “HKD”), which is the same as the functional and presentation currency of the Target Company.

2. Basis of preparation of financial information

As Easyknit International Holdings Limited has agreed to continuously provide adequate funds for the Target Company to meet in full its financial obligations as they fall due for the foreseeable future for and up to the date of the completion of the major transaction and for the coming twelve months from 30 April 2017, the sole director of the Target Company is confident that the Target Company will be able to meet its financial obligations when they fall due in foreseeable future and be able to operate on a going concern basis. Accordingly, the Underlying Financial Statements have been prepared on a going concern basis.

3. Application of new and revised Hong Kong financial reporting standards

For the purpose of preparing and presenting the Financial Information for the Relevant Period, the Target Company has, throughout the Relevant Period, consistently adopted Hong Kong Accounting Standards (“HKASs”), HKFRSs, amendments and interpretations. The Target Company has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

		Effective for accounting periods beginning on or after
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Effective for annual periods beginning on or after a date to be determined

4. Significant accounting policies

The Financial Information has been prepared under historical cost basis and in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance (Cap. 622). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Target Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below:

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Borrowing costs

Borrowing costs not attributable to qualifying assets are recognised in profit or loss in the Relevant Period in which they are incurred.

Foreign currencies

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the Relevant Period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the Relevant Period.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the Relevant Period. Taxable profits differs from profit before taxation as reported in the statement of profit or loss and other comprehensive income because of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Target Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the Relevant Period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary difference. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of the Relevant Period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the Relevant Period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Target Company expects, at the end of the Relevant Period, to recover or settle the carrying amount of its assets and liabilities.

For the purpose of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax liabilities and deferred tax assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred tax for the Relevant Period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Target Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Target Company's financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the Relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including bank balance) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the Relevant Period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of impairment loss is recognised as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Target Company are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Target Company after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including amount due to sole director/shareholder) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the Relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Target Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment

At the end of the Relevant Period, the Target Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Target Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Related parties

A party is considered to be related to the Target Company if:

- (1) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Target Company;
 - (ii) has significant influence over the Target Company; or
 - (iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company;

or

- (2) the party is an entity where any of the following conditions applies:
- (i) the entity and the Target Company are members of the same group;
 - (ii) one entity is an associate or a joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Target Company are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

5. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Target Company's accounting policies, which are described in note 4, the sole director is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

6. Capital risk management

The Target Company manages its capital to ensure that the Target Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances. The Target Company's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of the Target Company consists of net debts, which includes the amount due to the sole director/shareholder as disclosed in note 12 and equity attributable to owners of the Target Company.

The sole director reviews the capital structure on a regular basis. As part of this review, the sole director considers the cost of capital and the risks associated with the capital. Based on recommendations of the sole director, the Target Company will balance its overall capital structure through new share issues as well as raising of debts.

Further, the existing shareholder of the Target Company and Easyknit International Holdings Limited, the holding company of the new shareholder, Good Year Ventures Limited (as defined in note 15 on the financial statements) confirmed their willingness to provide sufficient cash and equity support to meet the daily operation requirements to maintain the Target Company as a going concern for the coming twelve months from 30 April 2017.

Financial instruments

Categories of financial instruments

HK\$

Financial liabilities

Amortised cost

Amount due to the sole director/shareholder	102,303,775
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Financial risk management objectives and policies

The Target Company's major financial instruments include the amount due to the sole director/shareholder. Details of this financial instrument are disclosed in note 12. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

The Target Company relies on the sole director/shareholder as a significant source of liquidity. Easyknit International Holdings Limited has agreed to continuously provide adequate funds for the Target Company to meet in full its financial obligations as they fall due for the foreseeable future for and up to the date of the completion of the major transaction and to maintain the Target Company as a going concern for the coming twelve months from 30 April 2017, the sole director of the Target Company is confident that the Target Company will be able to meet its financial obligations when they fall due in the foreseeable future and be able to operate on a going concern basis.

Fair value

The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The sole director considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Financial Information approximate to their fair values.

7. Turnover

The Target Company has no turnover during the Relevant Period.

8. Profit/loss before taxation

There are no supporting documents provided by the sole director/shareholder of the Target Company as to verify the quantum of formation expense and solicitors' fees incurred by the Target Company. The sole director/shareholder has agreed to absorb the abovementioned costs incurred during the Relevant Period and no separate disclosure was made for the above expenses.

9. Director's remuneration and five highest paid employees**(i) Director's remuneration**

No remuneration was paid to the Target Company's sole director during the Relevant Period and no remuneration was waived by the sole director during the Relevant Period.

(ii) Employees' remuneration

The Target Company has no employee, thus no remuneration was paid to any employees during the Relevant Period.

10. Taxation

No provision for taxation has been made as the Target Company had no revenue earned during the Relevant Period. No provision for deferred taxation has been made as the amount involved is insignificant.

11. Basic profit/loss per share

As only one ordinary share was in issue during the Relevant Period, the basic profit/loss per share is equal to the net profit/loss for the Relevant Period.

There were no potential dilutive shares in existence during the Relevant Period.

12. Amount due to the sole director/shareholder

The amount due to sole director/shareholder is unsecured and interest-free. As mentioned in note 15 on the Financial Information, the loan is to be disposed to the new shareholder, the new shareholder and the sole director/shareholder confirmed not to demand payment within 12 months after the Relevant Period.

13. Share capital

30 April 2017
HK\$

Authorised:

50,000 ordinary shares of US\$1.00 each

390,000

Issued and fully paid:

One ordinary share of US\$1.00 each

8

The Target Company was incorporated on 2 March 2017 with an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each. On 27 March 2017, one ordinary share of US\$1.00 was issued at par to the sole member to meet the initial capital requirement. Other than the above, there were no changes in the Target Company's authorised, issued, and fully paid share capital during the Relevant Period.

14. Capital commitments

During the Relevant Period, the Target Company entered into the 11 agreements for sale and purchase (the "Property Purchase Agreements", including inter alia the related provisional agreements for sale and purchase and the removal contracts, where any) of the following units for properties ("Properties") situated at Nos. 93, 93A, 95 and 95A of Waterloo Road, Kowloon, Hong Kong (the "Building") with 11 different property vendors ("Property Vendors") at a total cash consideration of HK\$305,384,425.

- (a) Unit B on the Ground Floor;
- (b) Unit C on the Ground Floor;
- (c) Unit D on the Ground Floor;
- (d) Unit A on the First Floor;
- (e) Unit B on the First Floor;
- (f) Unit C on the First Floor;
- (g) Unit D on the First Floor;
- (h) Unit A on the Second Floor;
- (i) Unit B on the Second Floor;
- (j) Unit C on the Second Floor; and
- (k) Unit D on the Second Floor

At the time for completion of the Property Purchase Agreements, there are 2 tenancy agreements in force for Unit D on the First Floor and Unit D on the Second Floor.

Up to 30 April 2017, the Target Company has paid a total of HK\$30,538,442.50 as deposits under the Property Purchase Agreements (representing approximately 10% of the total consideration under all the Property Purchase Agreements) to the Property Vendors and HK\$71,765,340 for stamp duty. Upon completion of the Property Purchase Agreements on or before 28 June 2017, the Target Company will have to pay the balance of the consideration in the sum of HK\$274,845,982.50 to the Property Vendors. Details of the subsequent settlements of the balance payment are detailed in note 17 on the Financial Information.

According to the Property Purchase Agreements, the Target Company is not required to pay any commission fee to the property agents.

15. Sale share and sale loan agreement

The sole member of the Target Company entered into an agreement with Good Year Ventures Limited ("GYVL", a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Easyknit International Holdings Limited) on 13 April 2017 to sell his entire share holding and entire loan in the Target Company at a total cash consideration of HK\$129,788,380.75.

16. Related party transactions

The Target Company had no other transactions with related parties during the Relevant Period.

17. Events after the Relevant Period

- (a) No audited financial statements have been prepared in respect of any period subsequent to 30 April 2017.
- (b) Upon execution of the formal agreements, the Target Company has preliminary obtained a total equity rights of 91.67% on all the properties located at Nos. 93, 93A, 95 and 95A of Waterloo Road, Kowloon, Hong Kong and is pending for the completion of the Property Purchase Agreements and payment of the balance of the purchase price for the Properties to the Property Vendors for HK\$274,845,982.50 on or before 28 June 2017.

Yours faithfully,

Cosmos CPA Limited
Certified Public Accountants

NG Lai Man Carmen
Practising Certificate Number P03518

Hong Kong
10 May 2017

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION 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 Acquisition as if the Acquisition had taken place on 30 September 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 financial position of the Group had the Acquisition been completed as at 30 September 2016 or at any future date.

	The Group as at 30 September 2016		Pro Forma Adjustments			Pro Forma Total for the Enlarged Group	
	HK\$'000 (unaudited) (Note 1)	HK\$'000 (audited) (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000	HK\$'000
Non-current assets							
Property, plant and equipment	5,404	-	-	-	-	-	5,404
Investment properties	1,606,145	-	-	-	-	-	1,606,145
Interests in associates	769,184	-	-	-	-	-	769,184
Available-for-sale investments	167,015	-	-	-	-	-	167,015
Convertible notes	64,467	-	-	-	-	-	64,467
Derivatives component of convertible notes	10,163	-	-	-	-	-	10,163
Loans receivable	70,975	-	-	-	-	-	70,975
Deposit for acquisition of property, plant and equipment	5,069	-	-	-	-	-	5,069
Deposits and capitalised expenses paid for acquisition of investment properties	-	102,304	(102,304)	-	-	-	-
Deposit and prepayments for a life insurance policy	10,044	-	-	-	-	-	10,044
	<u>2,708,466</u>	<u>102,304</u>	<u>(102,304)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,708,466</u>
Current assets							
Properties held for development for sale	118,442	-	-	-	-	-	118,442
Deposits and prepayments for acquisition of properties held for development for sale	-	-	102,304	27,484	-	-	129,788
Properties held for sale	518,007	-	-	-	-	-	518,007
Investments held for trading	20,519	-	-	-	-	-	20,519
Trade and other receivables	84,231	-	-	-	-	-	84,231
Loans receivable	92,644	-	-	-	-	-	92,644
Bank balances and cash	410,181	-	-	(129,788)	(450)	-	279,943
	<u>1,244,024</u>	<u>-</u>	<u>102,304</u>	<u>(102,304)</u>	<u>(450)</u>	<u>-</u>	<u>1,243,574</u>
Current liabilities							
Trade and other payables	101,926	-	-	-	-	-	101,926
Tax payable	28,571	-	-	-	-	-	28,571
Shareholder's loan	-	102,304	-	(102,304)	-	-	-
Secured bank borrowings	325,709	-	-	-	-	-	325,709
	<u>456,206</u>	<u>102,304</u>	<u>-</u>	<u>(102,304)</u>	<u>-</u>	<u>-</u>	<u>456,206</u>

	The Group as at 30 September 2016		Pro Forma Adjustments			Pro Forma Total for the Enlarged Group
	HK\$'000 (unaudited) (Note 1)	HK\$'000 (audited) (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000
Net current assets	787,818	(102,304)	102,304	-	(450)	787,368
Total assets less current liabilities	3,496,284	-	-	-	(450)	3,495,834
Non-current liabilities						
Secured bank borrowings	544,706	-	-	-	-	544,706
Deferred tax liabilities	1,073	-	-	-	-	1,073
	545,779	-	-	-	-	545,779
Net assets	2,950,505	-	-	-	(450)	2,950,055

Notes:

- The figures are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2016 as set out in the published interim report of the Company for the six months ended 30 September 2016.
- The adjustment represents the figures which are extracted from the financial information of GCHL as at 30 April 2017 as set out in Appendix II to this circular.
- The adjustment represents the reclassification of deposits and capitalised expenses paid for investment properties to deposits and prepayments for acquisition of properties held for development for sale on Group level.
- The adjustments represent (i) cash payment of consideration of approximately HK\$27,484,000 for the acquisition of the entire share capital of GCHL; and (ii) cash payment of approximately HK\$102,304,000 for the assignment of the shareholder's loan of GCHL outstanding as at the Completion of Acquisition. The Directors consider that the transaction is an acquisition of assets and thus, the total consideration paid by the Group of approximately HK\$129,788,000 represents deposits and prepayments for acquisition of properties held for development for sale which are capitalised and included therein.
- The adjustment represents payment of the estimated transaction costs attributable to this transaction of approximately HK\$450,000.
- No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2016.
- After the Acquisition, the Enlarged Group will be responsible for paying the balance of the purchase price of approximately HK\$274,846,000 at the respective dates of completion of the Property Purchase Agreements. Also, rental deposits of HK\$38,000 in relation to two existing tenancy agreements of the Properties will be transferred from the Property Vendors to the Group.

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

The following is the text of a report received from our reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of pro forma financial information.

Deloitte.**德勤****TO THE DIRECTORS OF EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

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 as at 30 September 2016 and related notes as set out in Section A of Appendix III to the circular issued by the Company dated 10 May 2017 (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 proposed acquisition of the entire issued share capital of Global Chance Holdings Limited ("GCHL") and the entire amount of the shareholder's loan owing by GCHL to its sole shareholder for an aggregate cash consideration of HK\$129,788,380.75 (the "Acquisition") on the Group's financial position as at 30 September 2016 as if the Acquisition had taken place at 30 September 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2016, on which no review conclusion 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 Acquisition at 30 September 2016 would have been as presented.

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 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

10 May 2017

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Vigers Appraisal and Consulting Limited, an independent professional valuer, in connection with the valuation of the Property to be acquired by the Group for development as at 19 April 2017.

Vigers Appraisal & Consulting Limited
International Assets Appraisal Consultants

10th Floor
The Grande Building
398 Kwun Tong Road
Kowloon
Hong Kong

Tel: (852) 2342-2000 Fax: (852) 3101-9041 E-mail: gp@vigers.com
www.vigers.com



10 May 2017

The Board of Directors

Easyknit International Holdings Limited
Unit A, 7th Floor, Hong Kong Spinners Industrial Building Phase 6,
Nos. 481-483 Castle Peak Road,,
Cheung Sha Wan, Kowloon, Hong Kong

Dear Sirs,

In accordance with your instruction for us to value the Property to be acquired by an indirect wholly owned subsidiary of “Easyknit International Holdings Limited” (referred to as “the Company” and collectively referred to as “the Group”), we confirm that we have inspected part of the Property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the Property as at 19 April 2017 (the “Valuation Date”).

BASIS OF VALUE

Our valuation is our opinion of market value of the Property which is defined as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. Our valuation has been prepared in accordance with “The HKIS Valuation Standards (2012 Edition)” published by The Hong Kong Institute of Surveyors and “RICS Valuation – Professional Standards (January 2014)” published by the “Royal Institution of Chartered Surveyors” (“RICS”), the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

VALUATION APPROACH

In our valuation, we have valued the tenanted portions of the Property on the basis of capitalisation of net rental income derived from the existing tenancies with allowance onto the reversionary interest of the Property and made reference to comparable market transactions. In valuing the portions of Property which are either vacant or owner-occupied, we have employed the direct comparison method whereby comparisons based on transactions on actual sales of comparable property have been made. Comparable property with similar character, location, sizes and so on are analyzed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of values.

TITLE INVESTIGATIONS

We have conducted land searches at the Land Registry but we have not searched the original documents to ascertain ownership nor to verify any lease amendments which may not appear on the copies handed to us. All documents have been used for reference purposes and all dimensions, measurements and areas are therefore approximations.

VALUATION CONSIDERATION

On-site inspection to part of the Property was carried out by Sr Eric W. L. TANG MRICS RICS Registered Valuer and Mr Jeff M.C. LIU BSc(Hons) on 19th April 2017. But we must stress that we have not carried out any structural survey nor have we inspected the woodwork or other parts of the structures of the Property which was covered, unexposed or inaccessible to us. We are therefore unable to report whether such part of the Property is free from any structural or non-structural defect.

Having examined all relevant documents, we have relied to a considerable extent on the information given by the Group, particularly planning approvals or statutory notices, easements, land tenure, site areas, floor areas, occupancy status and in the identification of the Property.

Unless otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on the information contained in the documents provided to us by the Group and are therefore approximations. We have had no reason to doubt the truth and accuracy of the information made available to us and we have been advised by the Group that no material fact has been omitted from the information so given.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Property could be sold in the prevailing market in existing state but without the effect of any deferred term contract, leaseback, management agreement or any other similar arrangement which may serve to affect the value of the Property, unless otherwise noted or specified. In addition, no account has been taken into of any option or right of pre-emption concerning or affecting the sale of the Property.

In our valuation, we have assumed that the owner(s) of the Property has free and uninterrupted rights to use and assign the Property during the whole of the unexpired land lease term granted subject to the payment of usual Government Rent.

We had carried out on-site inspection to the Property but no soil investigation has been carried out to determine the suitability of ground condition or building services for any property development or to be erected on the Property. Our valuation has been carried out on the assumption that these aspects are satisfactory. In our valuation, we have also assumed that all necessary consents, approvals and licences from relevant government authorities have been or will have been granted for any property development erected or to be erected the Property.

Our market value assessment of the Property is the value estimated without regard to costs of sale or purchase or transaction and without offset for any associated tax(es) or potential tax(es). Any transaction cost(s) or encumbrances such as mortgage, debenture or other charges against the Property has been disregarded. In our valuation, we have assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the value of the Property.

Unless otherwise stated, all monetary amounts stated herein are denoted in the currency of Hong Kong Dollars (“HK\$”), the lawful currency of Hong Kong.

We enclose herewith the core content of our valuation report.

Yours faithfully,
For and on behalf of

VIGERS APPRAISAL AND CONSULTING LIMITED

David W. I. CHEUNG
MRICS MHKIS RPS(GP) CREA
RICS Registered Valuer
Executive Director

Eric W. L. TANG
MRICS
RICS Registered Valuer
Director

Note: Mr. David W. I. Cheung is a Registered Professional Surveyor in General Practice Division with over 34 years’ valuation experience on property in various regions including Hong Kong, Macao, the PRC, Japan, the United Kingdom, Canada and the United States of America, who has been vetted on the list of property valuers for undertaking valuations for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers published by The Hong Kong Institute of Surveyors, and is suitably qualified for undertaking valuations relating to listing exercises. Mr. Cheung has over 10-year of experience with Vigers Appraisal and Consulting Limited.

Mr. Eric W. L. Tang is a professional member of the Royal Institution of Chartered Surveyors with over 14 years’ valuation experience on property in various regions including Hong Kong, Macao and the PRC. Mr. Tang has over 9-year of experience with Vigers Appraisal and Consulting Limited.

PROPERTY TO BE ACQUIRED BY THE GROUP FOR DEVELOPMENT

The Property	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Valuation Date
<p>Units B, C and D on Ground Floor, Units A, B, C and D on 1st Floor, Units A, B, C and D on 2nd Floor, Nos. 93, 93a, 95 and 95a Waterloo Road, Kowloon, Hong Kong</p> <p>11/12th parts or parcels of ground known and registered in the Land Registry as The Remaining Portion of Section C of Kowloon Inland Lot No. 2145 (“the Lot”)</p>	<p>Completed in 1956, Nos. 93, 93A, 95 and 95a Waterloo Road (the “Development”) is located on the southern side of Waterloo Road near its junction of Prince Edward Road West in Ho Man Tin district of Kowloon. The Development comprises a 3-storey residential building.</p> <p>The Property comprises 11 residential units of the Development with a total saleable area of approximately 1,284 square metres (or 13,821 square feet). The breakdown of areas of the Property is listed in Note 3. below.</p> <p>The Development is erected on a site with a registered site area of 975.4829 square metres (or 10,500 square feet) approximately.</p> <p>The Lot is held under Government Lease for a term of 75 years from 15th October 1928 and renewable for 75 years with Government Rent payable of HK\$52,722.00 per annum from time to time.</p>	<p>According to the information provided by the Group, the occupancy status of the Property is summarized in Note 4 below.</p>	<p>i. The existing use value of the Property subject to the existing tenancies for tenanted portion and assuming sale with the benefit of immediate vacant possession for owner-occupied/vacant portion is HK\$126,400,000 only.</p> <p>ii. The site value of the 100% interests of the Lot with vacant possession is HK\$350,000,000 only.</p> <p>iii. The site value attributable to the Property is HK\$313,700,000 only.</p>

Note:

1. Pursuant to the recent land registration records, the current registered owners of the Property are listed as below:

<u>Property</u>	<u>Registered Owner and Last Transaction</u>
Unit B on the G/F	CHEUNG WAI YEE vide Memorial No. UB3441847 dated 6th July 1987
Unit C on the G/F	KONG CHEUK WING vide Memorial No. UB4514301 dated 28th June 1990
Unit D on the G/F	NG SHUI LIN (Tenant in Common (1/4)), SHUM FOOK CHEUNG (Tenant in Common (1/4)), SHAM FOOK HONG (Tenant in Common (1/4)) and SHAM FOOK WING (Tenant in Common (1/4)) vide Memorial 09102101580070 dated 10th September 2009
Unit A on the First Floor	WOO WAY LAM vide Memorial No. UB3250182 dated 29th November 1986
Unit B on the First Floor	CHAN HONG (Tenant in Common (1/2)) and CHUNG LAU KWOK YING (Tenant in Common (1/2)) vide Memorial No. UB5924230 dated 11th January 1994
Unit C on the First Floor	<ol style="list-style-type: none"> 1. LING NEN CHUAN (1/2) vide Memorial No. 05060301610015 dated 5th May 2005, 2. LING DARWIN (1/2) vide Memorial No. 05060301610049 dated 13th May 2005
Unit D on the First Floor	YU LI SUK TAK vide Memorial No. UB5181269 dated 28th January 1992
Unit A on the Second Floor	DE WONG AU, EDITH vide Memorial No. 06052001270035 dated 11th May 2006
Unit B on the Second Floor	LO WAI MAN vide Memorial No. UB7623389 dated 2nd November 1998
Unit C on the Second Floor	LEUNG KWOK YUE RICHARD vide Memorial No. UB2227655 dated 19th January 1982
Unit D on the Second Floor	LAU WAI HUNG, THOMAS vide Memorial No. UB2439500 dated 28th June 1983

2. Pursuant to the recent land registration records, the Property is subject to the following salient encumbrances:

<u>Property</u>	<u>Encumbrances</u>
Unit B on the G/F	<ol style="list-style-type: none"> 1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956, 2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956, 3. Sub-Deed of Covenant vide Memorial No. UB254252 dated 22th November 1956, 4. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance), 5. Notice No. WNZ/U29-01/0002/08 by the Building Authority under Section 24C(1) of the Buildings Ordinance vide Memorial No. 11033101090023 dated 22nd July 2009
Unit C on the G/F	<ol style="list-style-type: none"> 1. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956, 2. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance)
Unit D on the G/F	<ol style="list-style-type: none"> 1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956, 2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956, 3. Sub-Deed of Covenant vide Memorial No. UB252078 dated 22th September 1956, 4. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance)
Unit A on the First Floor	<ol style="list-style-type: none"> 1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956, 2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956, 3. Sub-Deed of Covenant vide Memorial No. UB252078 dated 22th September 1956 4. Mortgage to secure general Banking Facilities in favour of Chung Khiaw Bank Limited for a consideration of \$1,700,000.00 vide Memorial No. UB2137193 dated 9th September 1981 (Remarks: Power of Sale Exercised), 5. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance)
Unit B on the First Floor	<ol style="list-style-type: none"> 1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956, 2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956, 3. Sub-Deed of Covenant vide Memorial No. UB252078 dated 22th September 1956, 4. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance)

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|----------------------------|--|
| Unit C on the First Floor | <ol style="list-style-type: none">1. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956,2. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance),3. Notice of Severance of Joint Tenancy vide Memorial No. 05060301610021 dated 5th May 2005 |
| Unit D on the First Floor | <ol style="list-style-type: none">1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956,2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956,3. Sub-Deed of Covenant vide Memorial No. UB252078 dated 22th September 1956,4. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance) |
| Unit A on the Second Floor | <ol style="list-style-type: none">1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956,2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956,3. Sub-Deed of Covenant vide Memorial No. UB253950 dated 14th November 1956,4. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance) |
| Unit B on the Second Floor | <ol style="list-style-type: none">1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956,2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956,3. Sub-Deed of Covenant vide Memorial No. UB254252 dated 22th November 1956,4. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance) |

- Unit C on the Second Floor
1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956,
 2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956,
 3. Sub-Deed of Covenant vide Memorial No. UB253950 dated 14th November 1956,
 4. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance),
 5. Legal Charge for all monies in favour of Wing Hang Bank Limited vide Memorial No. 08022802040027 dated 1st February 2008,
 6. Sealed Copy amended Writ of Summons in favour of Leung Kwok Huen (Plaintiff) and Leung Kwok Yue Richard (Defendant) vide Memorial No. 11032501160013 dated 23rd March 2010 (Remarks: HCA 427/2010 as amended on 21st March 2011),
 7. A Sealed Copy of Judgement in favour of Leung Kwok Huen (Plaintiff) and Leung Kwok Yue Richard (Defendant) vide Memorial No. 15041401740021 dated 23rd February 2015 (Remarks: in H.C. Action No. 427 of 2010)

- Unit D on the Second Floor
1. Deed of Severance vide Memorial No. UB251412 dated 8th August 1956,
 2. Deed of Covenant vide Memorial No. UB251413 dated 8th August 1956,
 3. Sub-Deed of Covenant vide Memorial No. UB253950 dated 14th November 1956,
 4. Government Notice No. 3711 of 85 pursuant to Section 22(2) vide Memorial No. UB2912931 dated 8th November 1985 (Remarks: The Crown Rent and Premium (Apportionment) Ordinance)

3. As measured from approved General Building Plans as well as according to the information from Rating and Valuation Department, the floor areas of the Property are tabulated as follows:

<u>Property</u>	<u>Saleable Area</u>		<u>Ancillary Area</u>		<u>Remarks</u>
Unit B on the G/F	117.0000 square metres	or 1,259 square feet	16.2000 square metres	or 174 square feet	(Garden)
Unit C on the G/F	107.0000 square metres	or 1,152 square feet	41.4000 square metres	or 446 square feet	(Garden)
Unit D on the G/F	102.0000 square metres	or 1,098 square feet	27.3000 square metres	or 294 square feet	(Garden)
Unit A on the First Floor	153.0000 square metres	or 1,647 square feet		Nil	
Unit B on the First Floor	117.0000 square metres	or 1,259 square feet		Nil	
Unit C on the First Floor	107.0000 square metres	or 1,152 square feet		Nil	
Unit D on the First Floor	102.0000 square metres	or 1,098 square feet		Nil	
Unit A on the Second Floor	153.0000 square metres	or 1,647 square feet		Nil	
Unit B on the Second Floor	117.0000 square metres	or 1,259 square feet		Nil	
Unit C on the Second Floor	107.0000 square metres	or 1,152 square feet		Nil	
Unit D on the Second Floor	102.0000 square metres	or 1,098 square feet		Nil	

4. According to the information provided by the Group, the occupancy status of the Property is summarized as follows:

<u>Property</u>	<u>Occupancy Status</u>	<u>Lease Term</u>	<u>Monthly Rent</u>	<u>Remarks</u>
Unit B on the G/F	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit C on the G/F	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit D on the G/F	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit A on the First Floor	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit B on the First Floor	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit C on the First Floor	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit D on the First Floor	Tenanted	1/6/2016 to 31/5/2018	HK16,000	
Unit A on the Second Floor	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit B on the Second Floor	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit C on the Second Floor	Owner-occupied/Vacant	Not applicable	Not applicable	
Unit D on the Second Floor	Tenanted	27/3/2017 to 26/3/2018	HK12,500	

5. The Development is located on the southern side of Waterloo Road near its junction of Prince Edward Road West in Kowloon Tong district in Kowloon. The locality is a traditional residential area dominated by low to medium rise residential buildings with various ages. The accessibility is considered reasonable with public transportation such as buses, light buses and taxis well served. The MTR Mong Kok East Station is located within 10 minutes' drive away from the Property.
6. Pursuant to the Government Lease of Kowloon Inland Lot No. 2145, no building will be erected on the Lot other than detached or semi-detached houses and no case may the height of any buildings exceed thirty five feet.
7. The Property falls within an area zoned "Residential Group B" on Approved Ho Man Tin Outline Zoning Plan No. S/K7/24 ("the Outline Zoning Plan") approved on 8th September 2015. According to the Notes attached to the Outline Zoning Plan, on land designated "Residential Group B", no new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of a maximum plot ratio of 5.0 and a maximum building heights of 80 metres above Principal Datum, or the plot ratio and height of the existing building, whichever is the greater.
8. In our valuation, we have compared the asset with identical or comparable (that is similar) assets for which price information is available. Comparable properties with similar character, location and so on are analysed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of value.

The unit rates of comparable transactions are in the range of about HK\$8,366 to HK\$10,388 per square foot for domestic units and about HK\$18,944 to HK\$29,001 per square foot for en bloc residential buildings. Our valuation falls within these ranges.

9. In assessing the site value attributable to the Property, we have apportioned the 100% site value in accordance with the proportion of the existing use value of the Property to the total existing use value of all the units in the Development currently erected on the Lot, which is assessed to be HK\$141,000,000 only. No allowance has been given to the possible costs, which are required for the amalgamation of the 100% shares of the Lot either by private negotiation or by the compulsory sale order under Land (Compulsory Sale For Redevelopment) Ordinance (Cap 545).

10. We note that Notice No. WNZ/U29-01/0002/08 by The Building Authority under S.24C(1) of The Buildings Ordinance was registered regarding Unit B on the Ground Floor of the Property. In the course of our valuation, we have assumed the aforesaid Notice has been complied with and to the satisfaction of the Building Authority; and no allowance has been made for remedial work(s), if any.

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	23,480,281	480,810,973	29.32%

Note:

- (iv) In the 480,810,973 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. For the 23,480,281 underlying Shares, of which 880,281 are the underlying Shares of the convertible note issued by the Company to Good Development Limited and the remaining 22,600,000 underlying Shares of the share options granted to Ms. Lui Yuk Chu and Mr. Koon Wing Yee (the spouse of Ms. Lui Yuk Chu) on 14 October 2016. 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).

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 & ii</i>	Beneficial owner	17,429,664	21.95%
Magical Profits Limited	<i>i & ii</i>	Beneficial owner	29,179,480	36.74%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	29,179,480	36.74%
Winterbotham Trust	<i>i & iii</i>	Trustee	29,179,480	36.74%
Winterbotham Holdings Limited	<i>iii</i>	Interest of controlled corporation	29,179,480	36.74%
Markson International Holdings Limited	<i>iii</i>	Interest of controlled corporation	29,179,480	36.74%
Christopher Geoffrey Douglas Hooper	<i>iii</i>	Interest of controlled corporation	29,179,480	36.74%
Ivan Geoffrey Douglas Hooper	<i>iii</i>	Interest of controlled corporation	29,179,480	36.74%

Notes:

- (i) Out of 46,609,144 Shares, 17,429,664 Shares are beneficially owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui Yuk Chu. The remaining 29,179,480 Shares are registered in the name of and are beneficially owned by Magical Profits Limited, which is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu, an executive Director, and her family members other than her spouse). Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the 29,179,480 Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust. Mr. Koon Wing Yee, being the spouse of Ms. Lui Yuk Chu, is deemed to be interested in the 46,609,144 Shares by virtue of the SFO.
- (ii) Ms. Lui Yuk Chu, being an executive Director, is also a director of Sea Rejoice Limited and Magical Profits Limited.
- (iii) Winterbotham Trust is the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Winterbotham Trust is owned as to 75% by Winterbotham Holdings Limited (“**Winterbotham Holdings**”) and 25% by Markson International Holdings Limited (“**Markson**”) respectively. Winterbotham

Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. And Markson is owned as to 60% by Mr. Christopher Geoffrey Douglas Hooper and 40% by Mr. Ivan Geoffrey Douglas Hooper respectively.

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

3. LITIGATION

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

4. DIRECTORS' SERVICE CONTRACTS

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

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

6. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

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

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any direct or indirect interest in any assets which have been, since 31 March 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) a 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 12 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;
- (b) 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 disposal of the sale share and sale loan of Grow Well Profits Limited for a consideration of HK\$137,770,000;
- (c) a sale and purchase agreement dated 6 August 2015 entered into between Eminence Enterprise Limited as purchaser and Easyknit Properties as vendor in relation to the disposal of the sale share and sale loan of Supertop Investment Limited for a consideration of HK\$60,750,000;
- (d) 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 disposal of the sale share and sale loan of Golden Top Properties Limited for a consideration of HK\$29,800,000;
- (e) 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 disposal of the sale share and sale loan of Janson Properties Limited for a consideration of HK\$11,680,000;
- (f) 4 executed term sheets dated 26 August 2015, 2 September 2015, 21 September 2015 and 22 September 2015 for the purchase of the equity linked note (“**ELN**”) of Hong Kong Exchanges and Clearing Limited (Stock Code: 388) for a total consideration of HK\$160,000,000;
- (g) 3 executed term sheets dated 13 November 2015 and 10 December 2015 for the purchase of the ELNs of China Construction Bank Corporation (Stock Code: 939) for a total consideration of HK\$170,000,000;

- (h) 2 executed term sheets dated 11 November 2015 and 9 December 2015 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;
- (i) 3 executed term sheets dated 16 September 2015, 3 May 2016 and 5 May 2016 for the purchase of the ELNs of Ping An Insurance (Group) Co. of China Limited (Stock Code: 2318) for a total consideration of HK\$119,000,000;
- (j) 6 executed term sheets dated 19 May 2016, 27 June 2016 and 29 September 2016 for the purchase of the ELNs of Hong Kong Exchanges and Clearing Limited (Stock Code: 388) for a total consideration of HK\$120,000,000;
- (k) 2 executed term sheets dated 30 June 2016 and 30 September 2016 for the purchase of the ELNs of Industrial and Commercial Bank of China Limited (Stock Code: 1398) for a total consideration of HK\$93,000,000;
- (l) 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;
- (m) 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;
- (n) a loan agreement dated 17 November 2016 entered into between Charming Flash Limited, a wholly-owned subsidiary of the Company, as lender, and Fortunate Gravity Hongkong Limited, an Independent Third Party, to lend up to HK\$100,000,000 for a term of 12 months at the interest rate of 12% per annum. The loan is secured by a share charge;
- (o) a loan agreement dated 7 December 2016 entered into between Planetic International Limited, a wholly-owned subsidiary of the Company, as lender, and Mr. Ting, an Independent Third Party, to lend up to HK\$63,000,000 for a term of 12 months at the interest rate of 8% per annum. The loan is secured by a share charge; and
- (p) the Agreement.

8. EXPERTS AND CONSENTS

The following is the qualification of the experts who are named in this circular or have given their opinion or advices which are contained in this circular:

Name	Qualification
Vigers Appraisal and Consulting Limited	Independent Professional Valuer
Deloitte Touche Tohmatsu	Certified Public Accountants
Cosmos CPA Limited	Certified Public Accountants

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 interim report of the Company for the six months ended 30 September 2016;
- (d) the accountant's report on GCHL issued by Cosmos CPA Limited, the text of which is set out in Appendix II to this circular;
- (e) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma statement of assets and liabilities of the Enlarged Group as set out in Appendix III to this circular;
- (f) the valuation report prepared by Vigers Appraisal and Consulting Limited, the text of which is set out in Appendix IV to this circular;
- (g) the letters of consent referred to in the paragraph headed "Experts and Consents" in this appendix;
- (h) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

- (i) 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
- (j) this circular.