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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 TRANSACTIONS****ACQUISITIONS OF LISTED SECURITIES ON MATURITY OF
EQUITY LINKED NOTES OF
(1) CHINA CONSTRUCTION BANK CORPORATION
AND
(2) INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**

22 March 2016

* 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:

| | |
|-------------------|--|
| “1st ELN ” | an equity linked note of CCB Shares for a principal amount of HK\$50,000,000 |
| “1st Acquisition” | the acquisition by the Company, through its wholly-owned subsidiary, of 9,593,900 CCB Shares on 25 January 2016 (i.e. the final valuation date of the 1st ELN) |
| “2nd ELN” | an equity linked note of CCB Shares for a principal amount of HK\$20,000,000 |
| “2nd Acquisition” | the acquisition by the Company, through its wholly-owned subsidiary, of 3,902,720 CCB Shares on 11 February 2016 (i.e. the final valuation date of the 2nd ELN) |
| “3rd ELN” | an equity linked note of CCB Shares for a principal amount of HK\$100,000,000 |
| “3rd Acquisition” | the acquisition by the Company, through its wholly-owned subsidiary, of 20,099,200 CCB Shares on 22 February 2016 (i.e. the final valuation date of the 3rd ELN) |
| “4th ELN ” | an equity linked note of ICBC Shares for a principal amount of HK\$50,000,000 |
| “4th Acquisition” | the acquisition by the Company, through its wholly-owned subsidiary, of 11,007,100 ICBC Shares on 25 January 2016 (i.e. the final valuation date of the 4th ELN) |
| “5th ELN” | an equity linked note of ICBC Shares for a principal amount of HK\$30,000,000 |
| “5th Acquisition” | the acquisition by the Company, through its wholly-owned subsidiary, of 6,920,400 ICBC Shares on 23 February 2016 (i.e. the final valuation date of the 5th ELN) |

DEFINITIONS

| | |
|----------------------------|---|
| “Acquired CCB Shares” | the acquisition of 33,595,820 CCB shares for a total consideration of HK\$170,000,000 |
| “Acquired ICBC Shares” | the acquisition of 17,927,500 ICBC shares for a total consideration of HK\$80,000,000 |
| “Board” | the board of Directors |
| “CCB” | China Construction Bank Corporation, a joint-stock company incorporated in the PRC with limited liability, the H shares of which are listed on the main board of the Stock Exchange (Stock code: 939) |
| “CCB Acquisitions” | the aggregate of the 3 acquisitions of CCB Shares |
| “CCB Share(s)” | shares in the share capital of CCB |
| “Company” | Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of Stock Exchange |
| “Director(s)” | director(s) of the Company |
| “discloseable transaction” | as defined in the Listing Rules |
| “ELN” | equity linked note(s) issued by BNP Paribas to Mark Profit Development Limited or Ace Winner Investment Limited, both are the wholly-owned subsidiaries of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “ICBC Acquisitions” | the aggregate of the 2 acquisitions of ICBC Shares |
| “Latest Practicable Date” | 18 March 2016, being the latest practicable date prior to the printing of the circular for ascertaining information contained herein |

DEFINITIONS

| | |
|---------------------|--|
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “major transaction” | as defined in the Listing Rules |
| “percentage ratios” | as defined in the Listing Rules |
| “PRC” | the People’s Republic of China |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

LETTER FROM THE BOARD



EASYKNIT INTERNATIONAL HOLDINGS LIMITED

永義國際集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1218)

Executive Directors:

Mr. Kwong Jimmy Cheung Tim
(President and Chief Executive Officer)
Ms. Lui Yuk Chu
(Vice President)
Ms. Koon Ho Yan Candy

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Mr. Tse Wing Chiu Ricky
Mr. Lai Law Kau

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

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

Independent Non-executive Directors:

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

22 March 2016

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTIONS

ACQUISITIONS OF LISTED SECURITIES ON MATURITY OF EQUITY LINKED NOTES OF

**(1) CHINA CONSTRUCTION BANK CORPORATION
AND**

(2) INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

INTRODUCTION

With reference to the Company's circular dated 8 January 2016 relating to the purchase of ELN, and the Company's announcement dated 1 March and 2 March 2016 respectively, the Company acquired the Acquired CCB Shares and the Acquired ICBC Shares for an aggregate purchase price of HK\$170,000,000 and HK\$80,000,000 respectively.

* for identification purposes only

LETTER FROM THE BOARD

Each of the CCB Acquisitions and ICBC Acquisitions constitutes a major transaction to the Company. The purpose of this circular is to provide you with, among other things, (a) details of the CCB Acquisitions; (b) details of the ICBC Acquisitions; and (c) the pro-forma information of the Group.

CCB ACQUISITIONS

With reference to the Company's announcement dated 1 February 2016 a discloseable transaction constituted by the acquisition by the Group on-market of an aggregate 9,593,900 CCB Shares which was obliged to acquire because the closing share price of CCB on the final valuation date is lower than the strike price on the maturity of the 1st ELN.

As a result of further acquisition subsequent to the discloseable transaction on 1 February 2016, the Group has acquired 3,902,720 CCB Shares and 20,099,200 CCB Shares on 11 February 2016 and 22 February 2016 respectively because of the closing share price of CCB on the final valuation date is lower than strike price of each of 2nd ELN and 3rd ELN.

Summary of terms of 1st ELN and 1st Acquisition

| | | |
|----|-----------------------|------------------|
| 1. | Trade date: | 11 November 2015 |
| 2. | Issuer: | BNP Paribas |
| 3. | Linked equity | CCB |
| 4. | Principal amount: | HK\$50,000,000 |
| 5. | Issue price: | HK\$5.46 |
| 6. | Strike price: | HK\$5.2116 |
| 7. | Final valuation date: | 25 January 2016 |
| 8. | Maturity date: | 1 February 2016 |

Since the closing share price of CCB on the final valuation date is HK\$4.61 which was below the strike price of the 1st ELN, the Group is obliged to acquire the 9,593,900 CCB Shares at the strike price according to the terms of the 1st ELN.

Summary of terms of 2nd ELN and 2nd Acquisition

| | | |
|----|-----------------------|------------------|
| 1. | Trade date: | 25 November 2015 |
| 2. | Issuer: | BNP Paribas |
| 3. | Linked equity | CCB |
| 4. | Principal amount: | HK\$20,000,000 |
| 5. | Issue price: | HK\$5.42 |
| 6. | Strike price: | HK\$5.1246 |
| 7. | Final valuation date: | 11 February 2016 |
| 8. | Maturity date: | 18 February 2016 |

LETTER FROM THE BOARD

Since the closing share price of CCB on the final valuation date is HK\$4.43 which was below the strike price of the 2nd ELN, the Group is obliged to acquire the 3,902,720 CCB Shares at the strike price according to the terms of the 2nd ELN.

Summary of terms of 3rd ELN and 3rd Acquisition

| | | |
|----|-----------------------|------------------|
| 1. | Trade date: | 8 December 2015 |
| 2. | Issuer: | BNP Paribas |
| 3. | Linked equity | CCB |
| 4. | Principal amount: | HK\$100,000,000 |
| 5. | Issue price: | HK\$5.23 |
| 6. | Strike price: | HK\$4.9753 |
| 7. | Final valuation date: | 22 February 2016 |
| 8. | Maturity date: | 29 February 2016 |

Since the closing share price of CCB on the final valuation date is HK\$4.66 which was below the strike price of the 3rd ELN, the Group is obliged to acquire the 20,099,200 CCB Shares at the strike price according to the terms of the 3rd ELN.

For the 1st Acquisition, the 2nd Acquisition and the 3rd Acquisition, the Group acquired a total of 33,595,820 CCB Shares (representing 0.0134% of the total issued CCB Shares) for a total consideration of HK\$170,000,000. Since those shares are held as long term investments and therefore they are accounted for available-for-sale investments in the Company's financial statements.

ICBC ACQUISITIONS

The Group acquired the Acquired ICBC Shares in a series of transactions conducted during the period from 25 January 2016 to 23 February 2016 for an aggregate purchase price of HK\$80,000,000. The Acquired ICBC Shares are the ICBC Shares which the Group was obliged to acquire because of the maturity of the 4th ELN and the 5th ELN.

Terms of 4th ELN and 4th Acquisition

| | | |
|----|-----------------------|------------------|
| 1. | Trade date: | 11 November 2015 |
| 2. | Issuer: | BNP Paribas |
| 3. | Linked equity | ICBC |
| 4. | Principal amount: | HK\$50,000,000 |
| 5. | Issue price: | HK\$4.77 |
| 6. | Strike price: | HK\$4.5425 |
| 7. | Final valuation date: | 25 January 2016 |
| 8. | Maturity date: | 1 February 2016 |

Since the closing share price of ICBC on the final valuation date is HK\$3.95 which was below the strike price of the 4th ELN, the Group is obliged to acquire the 11,007,100 ICBC Shares at the strike price according to the terms of the 4th ELN.

LETTER FROM THE BOARD

Terms of 5th ELN and 5th Acquisition

| | |
|--------------------------|-----------------------------|
| 1. Trade date: | 9 December 2015 |
| 2. Issuer: | Credit Suisse International |
| 3. Linked equity | ICBC |
| 4. Principal amount: | HK\$30,000,000 |
| 5. Issue price: | HK\$4.58 |
| 6. Strike price: | HK\$4.335 |
| 7. Final valuation date: | 23 February 2016 |
| 8. Maturity date: | 1 March 2016 |

Since the closing share price of ICBC on the final valuation date is HK\$3.99 which was below the strike price of the 5th ELN, the Group is obliged to acquire the 6,920,400 ICBC Shares at the strike price according to the terms of the 5th ELN.

For the 4th Acquisition and the 5th Acquisition, the Group acquired a total of 17,927,500 ICBC Shares (representing 0.0050% of the total issued ICBC Shares) for a total consideration of HK\$80,000,000. Since those shares are held as long term investments and therefore they are accounted for available-for-sale investments in the Company's financial statements.

REASONS AND BENEFITS OF CCB ACQUISITIONS AND ICBC ACQUISITIONS

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

Having considered the track record of CCB Shares and ICBC Shares and their recent performance, the Company considers that the both CCB Shares and ICBC Shares are attractive investments and can enhance the returns on cash for the Group.

For the CCB Acquisitions, the Group has received a total of an aggregate interest of HK\$4,257,000 during the period from 11 November 2015 (ie. the trading date of the 1st ELN) to 29 February 2016 (ie. the maturity date of the 3rd ELN). The Group shall have an unrealised aggregate loss of approximately HK\$14,820,000 which are the aggregate figures calculated from the difference between the closing price of each of the final valuation date and the strike price of each ELN.

For the ICBC Acquisitions, the Group has received a total of an aggregate interest of HK\$2,000,000 during the period of 11 November 2015 (i.e. the trading date of the 4th ELN) to 23 February 2016 (i.e. the maturity date of the 5th ELN). The Group shall have an unrealised aggregate loss of approximately HK\$8,909,000 which are the aggregate figures calculated from the difference between the closing price of each of the final valuation date and the strike price of each ELN.

Though the CCB Acquisitions and ICBC Acquisitions shall have an unrealized loss, the Directors believe that both acquisitions are in themselves an attractive investment likely to yield attractive returns.

LETTER FROM THE BOARD

Since both CCB Acquisitions and ICBC Acquisitions were made on the market, the Company is not aware of the identities of the sellers of the CCB Shares or ICBC Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the sellers of the shares of CCB Shares or ICBC Shares and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

As the Acquired CCB Shares and Acquired ICBC Shares were acquired at market prices, the Directors (including the independent non-executive Directors) are of the view that the Acquisitions are fair and reasonable, on normal commercial terms, and in the interests of Company and its Shareholders as a whole.

EFFECTS OF EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

CCB Acquisitions

Total assets

As at 30 September 2015, the unaudited total assets of the Group were approximately HK\$4,284 million. Assuming completion of the CCB Acquisitions took place on 30 September 2015, the unaudited pro forma total assets of the Group would be approximately HK\$4,269 million as set out in Appendix II to this circular.

Total Liabilities

As at 30 September 2015, the unaudited total liabilities of the Group were approximately HK\$1,123 million. Assuming completion of the CCB Acquisitions took place on 30 September 2015, the unaudited pro forma total liabilities of the Group would not be affected as set out in Appendix II to this circular.

Earnings

In view of the payment of direct expenses of approximately HK\$303,000 and the loss arising from changes in fair value of the Acquired CCB Shares of approximately HK\$14,820,000, the earnings of the Group would be decreased by approximately HK\$15,123,000 as set out in note 3 of Appendix II to this circular.

ICBC Acquisitions

Total assets

As at 30 September 2015, the unaudited total assets of the Group were approximately HK\$4,284 million. Assuming completion of the ICBC Acquisitions took place on 30 September 2015, the unaudited pro forma total assets of the Group would be approximately HK\$4,275 million as set out in Appendix III to this circular.

LETTER FROM THE BOARD

Total Liabilities

As at 30 September 2015, the unaudited total liabilities of the Group were approximately HK\$1,123 million. Assuming completion of the ICBC Acquisitions took place on 30 September 2015, the unaudited pro forma total liabilities of the Group would not be affected as set out in Appendix III to this circular.

Earnings

In view of the payment of direct expenses of approximately HK\$214,000 and the loss arising from changes in fair value of the Acquired ICBC Shares of approximately HK8,909,000, the earnings of the Group would be decreased by approximately HK\$9,123,000 as set out in note 3 of Appendix III to this circular.

INFORMATION ON CCB

CCB is a joint-stock company incorporated in the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 939). According to its company profile made available on the internet, CCB is principally engaged in the provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services.

The following information is extracted from the third quarter and annual reports of CCB:

| | For the nine months ended 30 September 2015 | For the year ended 31 December 2014 | 2013 |
|-------------------------------------|--|--|--------------------|
| | <i>RMB million</i> | <i>RMB million</i> | <i>RMB million</i> |
| Revenue | 442,299 | 556,740 | 511,140 |
| Profit before taxation | 244,584 | 299,086 | 279,806 |
| Net profit after taxation | | | |
| attributable to shareholders of CCB | 191,557 | 227,830 | 214,657 |
| Total assets | 18,321,375 | 16,744,130 | 15,363,210 |

The net asset value of CCB as at 31 December 2014 was RMB1,232,236,000 million.

LETTER FROM THE BOARD

INFORMATION ON ICBC

ICBC is a joint-stock company incorporated in the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange (Stock Code: 1398). According to its company profile made available on the internet, ICBC provides corporate and personal banking, treasury operations, investment banking, asset management, trust, financial leasing and other financial services.

The following information is extracted from the third quarter and annual reports of ICBC:

| | For the nine months ended 30 September 2015 | For the year ended 31 December | |
|--------------------------------------|--|---|--------------------|
| | <i>RMB million</i> | <i>RMB million</i> | <i>RMB million</i> |
| Revenue | 503,833 | 634,858 | 578,901 |
| Profit before taxation | 290,521 | 361,612 | 338,537 |
| Net profit after taxation | | | |
| attributable to shareholders of ICBC | 221,761 | 275,811 | 262,649 |
| Total assets | 22,104,917 | 20,609,953 | 18,917,752 |

The net asset value of ICBC as at 31 December 2014 was RMB1,537,304,000 million.

IMPLICATIONS ON THE LISTING RULES

Under Chapter 14 of the Listing Rules, each of the CCB Acquisitions and ICBC Acquisitions constitutes a major a major transaction of the Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in each of the major transactions relating to the CCB Acquisitions or ICBC Acquisitions; or should the aforesaid major transactions be put forward to the Shareholders for approval at a general meeting of the Company be required to abstain from voting on the resolution(s) approving the transactions.

LETTER FROM THE BOARD

WRITTEN SHAREHOLDERS' APPROVAL

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

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of
Easyknit International Holdings Limited
Kwong Jimmy Cheung Tim
President and Chief Executive Officer

1. FINANCIAL SUMMARY OF THE GROUP

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

| For the year ended | Date of annual report | Pages |
|---------------------------|------------------------------|--------------|
| 31 March 2015 | 29 June 2015 | 57 – 153 |
| 31 March 2014 | 25 June 2014 | 58 – 157 |
| 31 March 2013 | 26 June 2013 | 52 – 181 |

| For the six months ended | Date of interim report | Pages |
|---------------------------------|-------------------------------|--------------|
| 30 September 2015 | 26 November 2015 | 22 – 52 |

They can be accessed on the website of the Company (www.easyknit.com) and the website of the Stock Exchange (www.hkexnews.hk).

2. WORKING CAPITAL

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

3. INDEBTEDNESS

At the close of business on 29 February 2016, being the latest practicable date for ascertaining this information prior to the printing of this circular, the Group had outstanding bank borrowings of approximately HK\$1,097 million, which were guaranteed by the Company and were secured by certain properties of the Group.

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 29 February 2016 any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees 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 2015, the economic data in the United States (“US”) has been sending mixed signals and causing uncertainty about the US recovery as well as speculation about the timing of interest rate hike.

In Asia, the economic outlook remains generally favourable, although Mainland China experienced the slowest growth in recent years, which is expected to cloud the region’s economic outlook. As Hong Kong’s economic performance hinges on global economic and financial conditions, these uncertain factors may affect property market sentiment in the months ahead. However, we expect the market to remain buoyant with more projects coming onto the market at competitive pricing levels and strong end user demand driving sales.

The Group will continue to closely monitor market changes and proactively refine its sales and pricing strategies of PAXTON according to the market conditions. It will adopt specific measures to speed up the sales of inventory and cash inflows. Meanwhile, it will accelerate the development pace and strive to swiftly destock saleable resources in order to enhance its competitiveness in the market.

In addition, the Group will continue to adhere to its principle of steady development and endeavor to improve the development of existing projects so as to increase the asset turnover rate. Meanwhile, the Group strives to improve the debt structure, adjust the projects’ management system in respect of management models and construction cost in order to enhance the profitability of the Group.

5. MATERIAL CHANGE

The Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date.

**APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP (CCB SHARES)**

The following unaudited pro forma statement of assets and liabilities of the Group has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the major transaction of an aggregate purchases of 33,595,820 shares of China Construction Bank Corporation (the “CCB Shares”) upon maturity of equity linked notes of China Construction Bank Corporation (the “CCB ELNs”) (the “Major Transaction (CCB Shares)”) as if the Major Transaction (CCB Shares) had taken place on 30 September 2015.

This unaudited pro forma statement of assets and liabilities of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the assets and liabilities of the Group had the Major Transaction (CCB Shares) been completed as at 30 September 2015 or at any future date.

| | The Group at 30 September 2015 HK\$'000 Note 1 | Pro forma adjustment HK\$'000 Note 2 | Pro forma adjustment HK\$'000 Note 3 | Pro forma total for the Group HK\$'000 |
|--|---|---|---|---|
| Non-current assets | | | | |
| Property, plant and equipment | 4,708 | – | – | 4,708 |
| Investment properties | 1,925,331 | – | – | 1,925,331 |
| Interests in associates | 771,950 | – | – | 771,950 |
| Available-for-sale investments | 54,011 | – | 155,180 | 209,191 |
| Loans receivable | 49,026 | – | – | 49,026 |
| Deposit for acquisition of property, plant and equipment | 5,129 | – | – | 5,129 |
| Deposit and prepayments for a life insurance policy | 9,949 | – | – | 9,949 |
| | <u>2,820,104</u> | <u>–</u> | <u>155,180</u> | <u>2,975,284</u> |
| Current assets | | | | |
| Properties held for development for sale | 90,340 | – | – | 90,340 |
| Properties held for sale | 829,612 | – | – | 829,612 |
| Investments held for trading | 31,230 | – | – | 31,230 |
| Financial assets designated as at fair value through profit and loss | 120,732 | 170,000 | (170,000) | 120,732 |
| Trade and other receivables | 30,871 | – | – | 30,871 |
| Loans receivable | 282,913 | – | – | 282,913 |
| Convertible note | 19,083 | – | – | 19,083 |
| Bank balances and cash | 58,816 | (170,000) | (303) | (111,487) |
| | <u>1,463,597</u> | <u>–</u> | <u>(170,303)</u> | <u>1,293,294</u> |

**APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP (CCB SHARES)**

| | The Group at 30 September 2015 HK\$'000 Note 1 | Pro forma adjustment HK\$'000 Note 2 | Pro forma adjustment HK\$'000 Note 3 | Pro forma total for the Group HK\$'000 |
|--|---|---|---|---|
| Current liabilities | | | | |
| Trade and other payables | 68,469 | – | – | 68,469 |
| Tax payable | 44,579 | – | – | 44,579 |
| Secured bank borrowings | 159,281 | – | – | 159,281 |
| | 272,329 | – | – | 272,329 |
| Net current assets | 1,191,268 | – | (170,303) | 1,020,965 |
| Total assets less current liabilities | 4,011,372 | – | (15,123) | 3,996,249 |
| Non-current liabilities | | | | |
| Secured bank borrowings | 849,759 | – | – | 849,759 |
| Deferred tax liabilities | 1,296 | – | – | 1,296 |
| | 851,055 | – | – | 851,055 |
| | 3,160,317 | – | (15,123) | 3,145,194 |

Notes:

1. The figures are extracted from the condensed consolidated statement of financial position of the Group as at 30 September 2015, as set out in the published interim report of the Group for the six months ended 30 September 2015.
2. The adjustment represents purchase of CCB ELNs during the period from 11 November 2015 to 8 December 2015 for aggregate consideration of HK\$170,000,000.
3. The adjustment represents (i) purchase of CCB Shares during the period from 25 January 2016 to 22 February 2016 upon the maturity of CCB ELNs; (ii) payment of direct expenses, comprising of handling charges of approximately HK\$168,000 and legal and professional fees of approximately HK\$135,000 in relation to the Major Transaction (CCB Shares) and (iii) recognition of the loss arising from changes in fair value of the CCB ELNs of approximately HK\$14,820,000, which is calculated as the difference between the respective closing price of CCB Shares on the final valuation dates and the respective strike price of the CCB ELNs.
4. No adjustment has been made to remeasure the CCB Shares to their fair values as at 30 September 2015 as for the purpose of this pro forma financial information, such pro forma adjustments would be irrelevant as the CCB Shares were acquired subsequent to 30 September 2015 as described in note 3 above.
5. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2015.

APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP (CCB SHARES)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION



德勤•關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
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88 Queensway
Hong Kong

TO THE DIRECTORS OF EASYKNIT INTERNATIONAL HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Easyknit International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of assets and liabilities of the Group as at 30 September 2015 and related notes as set out on pages II-1 to II-2 of the circular issued by the Company dated 22 March 2016 (the “Circular”). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages II-1 to II-2 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of an aggregate purchase of the shares of China Construction Bank Corporation upon maturity of equity linked notes (the “Major Transaction (CCB)”) on the Group’s assets and liabilities as at 30 September 2015 as if the Major Transaction (CCB) had taken place at 30 September 2015. As part of this process, information about the Group’s assets and liabilities has been extracted by the Directors from the Group’s condensed consolidated financial statements for the six months ended 30 September 2015, on which no review report has been published.

Directors’ Responsibilities for the Pro Forma Financial Information

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

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.

APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP (CCB SHARES)

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 pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

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

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

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2015 would have been as presented.

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

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

**APPENDIX II UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP (CCB SHARES)**

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

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

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

Opinion

In our opinion:

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 March 2016

APPENDIX III**UNAUDITED PRO FORMA STATEMENT OF ASSETS
AND LIABILITIES OF THE GROUP (ICBC SHARES)**

The following unaudited pro forma statement of assets and liabilities of the Group has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the major transaction of acquisition of 17,927,500 shares of Industrial and Commercial Bank of China Limited (the “ICBC Shares”) upon maturity of equity linked notes of Industrial and Commercial Bank of China Limited (the “ICBC ELNs”) (the “Major Transaction (ICBC Shares)”) as if the Major Transaction (ICBC Shares) had taken place on 30 September 2015.

This unaudited pro forma statement of assets and liabilities of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the assets and liabilities of the Group had the Major Transaction (ICBC Shares) been completed as at 30 September 2015 or at any future date.

| | The Group at 30 September 2015 HK\$'000 Note 1 | Pro forma adjustment HK\$'000 Note 2 | Pro forma adjustment HK\$'000 Note 3 | Pro forma total for the Group HK\$'000 |
|--|---|---|---|---|
| Non-current assets | | | | |
| Property, plant and equipment | 4,708 | – | – | 4,708 |
| Investment properties | 1,925,331 | – | – | 1,925,331 |
| Interests in associates | 771,950 | – | – | 771,950 |
| Available-for-sale investments | 54,011 | – | 71,091 | 125,102 |
| Loans receivable | 49,026 | – | – | 49,026 |
| Deposit for acquisition of property, plant and equipment | 5,129 | – | – | 5,129 |
| Deposit and prepayments for a life insurance policy | 9,949 | – | – | 9,949 |
| | <u>2,820,104</u> | <u>–</u> | <u>71,091</u> | <u>2,891,195</u> |
| Current assets | | | | |
| Properties held for development for sale | 90,340 | – | – | 90,340 |
| Properties held for sale | 829,612 | – | – | 829,612 |
| Investments held for trading | 31,230 | – | – | 31,230 |
| Financial assets designated as at fair value through profit and loss | 120,732 | 80,000 | (80,000) | 120,732 |
| Trade and other receivables | 30,871 | – | – | 30,871 |
| Loans receivable | 282,913 | – | – | 282,913 |
| Convertible note | 19,083 | – | – | 19,083 |
| Bank balances and cash | 58,816 | (80,000) | (214) | (21,398) |
| | <u>1,463,597</u> | <u>–</u> | <u>(80,214)</u> | <u>1,383,383</u> |

| | The Group at 30 September 2015 <i>HK\$'000</i> <i>Note 1</i> | Pro forma adjustment <i>HK\$'000</i> <i>Note 2</i> | Pro forma adjustment <i>HK\$'000</i> <i>Note 3</i> | Pro forma total for the Group <i>HK\$'000</i> |
|--|---|---|---|--|
| Current liabilities | | | | |
| Trade and other payables | 68,469 | – | – | 68,469 |
| Tax payable | 44,579 | – | – | 44,579 |
| Secured bank borrowings | 159,281 | – | – | 159,281 |
| | <u>272,329</u> | <u>–</u> | <u>–</u> | <u>272,329</u> |
| Net current assets | <u>1,191,268</u> | <u>–</u> | <u>(80,214)</u> | <u>1,111,054</u> |
| Total assets less current liabilities | <u>4,011,372</u> | <u>–</u> | <u>(9,123)</u> | <u>4,002,249</u> |
| Non-current liabilities | | | | |
| Secured bank borrowings | 849,759 | – | – | 849,759 |
| Deferred tax liabilities | 1,296 | – | – | 1,296 |
| | <u>851,055</u> | <u>–</u> | <u>–</u> | <u>851,055</u> |
| | <u>3,160,317</u> | <u>–</u> | <u>(9,123)</u> | <u>3,151,194</u> |

Notes:

- The figures are extracted from the condensed consolidated statement of financial position of the Group as at 30 September 2015, as set out in the published interim report of the Group for the six months ended 30 September 2015.
- The adjustment represents purchase of ICBC ELNs during the period from 11 November 2015 to 9 December 2015 for aggregate consideration of HK\$80,000,000.
- The adjustment represents (i) purchase of ICBC Shares during the period from 25 January 2016 to 23 February 2016 upon the maturity of ICBC ELNs; (ii) payment of direct expenses, comprising of handling charges of approximately HK\$79,000 and legal and professional fees of approximately HK\$135,000 in relation to the Major Transaction (ICBC Shares) and (iii) recognition of the loss arising from changes in fair value of the ICBC ELNs of approximately HK\$8,909,000, which is calculated as the difference between the respective closing price of ICBC Shares on the final valuation dates and the respective strike price of the ICBC ELNs.
- No adjustment has been made to remeasure the ICBC Shares to their fair values as at 30 September 2015 as for the purpose of this pro forma financial information, such pro forma adjustments would be irrelevant as the ICBC Shares were acquired subsequent to 30 September 2015 as described in note 3 above.
- No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2015.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION

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香港金鐘道88號
太古廣場一座35樓

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE DIRECTORS OF EASYKNIT INTERNATIONAL HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Easyknit International Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of assets and liabilities of the Group as at 30 September 2015 and related notes as set out on pages III-1 to III-2 of the circular issued by the Company dated 22 March 2016 (the “Circular”). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages III-1 to III-2 of the Circular.

The pro forma financial information has been compiled by the Directors to illustrate the impact of an aggregate purchase of the shares of Industrial and Commercial Bank of China Limited upon maturity of equity linked notes (the “Major Transaction (ICBC)”) on the Group’s assets and liabilities as at 30 September 2015 as if the Major Transaction (ICBC) had taken place at 30 September 2015. As part of this process, information about the Group’s assets and liabilities has been extracted by the Directors from the Group’s condensed consolidated financial statements for the six months ended 30 September 2015, on which no review report has been published.

Directors’ Responsibilities for the Pro Forma Financial Information

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

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 pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

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

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

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2015 would have been as presented.

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

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

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

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

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

Opinion

In our opinion:

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 March 2016

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests in Shares

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

(i) Interests in the Company

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

Notes:

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

- (ii) 17,429,664 Shares are beneficially owned by Sea Rejoice Limited which is wholly-owned by Ms. Lui Yuk Chu.
- (iii) Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the Shares by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

(ii) Interests in the associated corporation

Easyknit Enterprises Holdings Limited (“Easyknit Enterprises”)

| Number of director | Capacity | Number of ordinary shares held (long position) | Number of underlying shares held | Total | Approximate percentage of interests |
|-----------------------|---|--|----------------------------------|-------------|-------------------------------------|
| Ms. Lui Yuk Chu | Beneficiary of a trust (<i>Note iv</i>) | 457,330,692 | 880,281 | 458,210,973 | 39.33% |
| Ms. Koon Ho Yan Candy | Beneficiary of a trust (<i>Note v</i>) | 457,330,692 | 880,281 | 458,210,973 | 39.33% |

Notes:

- (iv) In the 457,330,692 shares of Easyknit Enterprises, 93,549,498 shares of Easyknit Enterprises and 363,781,194 shares of Easyknit Enterprises are registered in the name of and are beneficially owned by Landmark Profits Limited and Goodco Development Limited respectively, both companies are wholly-owned subsidiaries of the Company. Goodco Development Limited is also interested in 880,281 underlying shares of Easyknit Enterprises (subject to adjustment) to be issued upon the full conversion of the 2014 convertible note. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of the Company and is wholly-owned by Ms. Lui Yuk Chu. Magical Profits Limited is interested in approximately 36.74% of the issued share capital of the Company and is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as trustee of The Magical 2000 Trust (the beneficiaries of which included Ms. Lui Yuk Chu and her family members other than her spouse).
- (v) Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and an executive Director, is deemed to be interested in the shares of Easyknit Enterprises by virtue of her capacity as one of the beneficiaries of The Magical 2000 Trust.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the Shares, underlying Shares and/or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant

to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' Interests

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

| Name of Shareholder | Note | Capacity | Number of Shares held (long position) | Approximate percentage of interest |
|--|--------------------|------------------------------------|---------------------------------------|------------------------------------|
| Koon Wing Yee | <i>i</i> | Interest of spouse | 46,609,144 | 58.69% |
| Sea Rejoice Limited | <i>i & 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

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

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

7. MATERIAL CONTRACTS

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

- (a) the placing agreement dated 6 June 2014 entered into between Easyknit Enterprises and Kingston Securities Limited, as the placing agent, to place 65,200,000 new shares of Easyknit Enterprises at a placing price of HK\$0.35 per share;
- (b) the development agreement dated 16 June 2014 entered into between Wise Think Global Limited and Hansford International Investment Limited, a wholly-owned subsidiary of the Company to redevelop the Kowloon Inland Lot No. 2320;
- (c) the placing agreement dated 11 August 2014 entered into between Easyknit Enterprises and Get Nice Securities Limited, as the placing agent, to place 78,000,000 new shares of Easyknit Enterprises at a placing price of HK\$0.30 per share;
- (d) the underwriting agreement dated 5 September 2014 entered into between Easyknit Enterprises and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 450,132,472 rights shares of Easyknit Enterprises at the subscription price of HK\$0.70 per right share;
- (e) the underwriting agreement dated 2 February 2015 entered into between Easyknit Enterprises and Get Nice Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 506,399,020 rights shares at the subscription price of HK\$0.65 per rights share;
- (f) the facility letter dated 26 May 2015 entered into between Cherry Sky Investments Limited, a wholly-owned subsidiary of Easyknit Enterprises, as a lender, and an independent third party to lend up to HK\$70,000,000 for a period of 12 months. The borrower shall pay interest to the lender on the loan at the rate of 8% per annum. The loan is secured by share charges and personal guarantee;

- (g) the subscription agreement dated 29 May 2015 entered into between Easyknit Enterprises and an independent third party, as the subscriber, agreed to subscribe a convertible note issued by Easyknit Enterprises in the aggregate principal amount of HK\$86,000,000 which may be converted into 101,176,470 shares of Easyknit Enterprises at the initial conversion price of HK\$0.85 per share (subject to adjustment);
- (h) the loan agreement dated 10 June 2015 entered into between the Group as lender with an independent third party to lend HK\$185,000,000 for a period of twelve months. The borrower shall pay interest to the lender on the loan at the rate of 17% per annum. The loan is secured by share charges and personal guarantees;
- (i) a sale and purchase agreement dated 6 August 2015 entered into between Power Bright Investments Limited as purchaser and Easyknit Properties Holdings Limited (“**Easyknit Properties**”) as vendor in relation to the dispose of the sale share and sale loan of Grow Well Profits Limited for a consideration of HK\$137,770,000;
- (j) a sale and purchase agreement dated 6 August 2015 entered into between Easyknit Enterprises as purchaser and Easyknit Properties as vendor in relation to the dispose of the sale share and sale loan of Supertop Investment Limited for a consideration of HK\$60,750,000;
- (k) a sale and purchase agreement dated 6 August 2015 entered into between New Pursuit Limited as purchaser and Easyknit Properties as vendor in relation to the dispose of the sale share and sale loan of Golden Top Properties Limited for a consideration of HK\$29,800,000;
- (l) a sale and purchase agreement dated 6 August 2015 entered into between Fresh Smart Investments Limited as purchaser and Easyknit Properties as vendor in relation to the dispose of the sale share and sale loan of Janson Properties Limited for a consideration of HK\$11,680,000;
- (m) the 3 executed term sheets of the equity linked note of CCB respectively dated 11 November, 25 November and 8 December 2015; and
- (n) the 2 executed term sheets of the equity linked note of ICBC respectively dated 11 November and 9 December 2015.

8. EXPERT AND CONSENT

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

| Name | Qualification |
|--------------------------|------------------------------|
| Deloitte Touche Tohmatsu | Certified Public Accountants |

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

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

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

9. GENERAL

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994 with extensive experience in the legal field.
- (b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Company in Hong Kong is at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular prevails over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

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

- (a) the memorandum of association and bye-laws of the Company;
- (b) the letter of consent referred to in the paragraph headed "Expert and Consent" above;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (d) the annual reports of the Company of the Company for the three years ended 31 March 2013, 2014 and 2015;
- (e) the 2015 interim report of the Company for the six months ended 30 September 2015;
- (f) a copy of each circular issued pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules which has been issued since the date of the latest published audited accounts; and
- (g) this circular.