
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

If you have sold or transferred all your shares in Easyknit Enterprises Holdings Limited ("Company"), you should at once hand this prospectus and the accompanying provisional allotment letter and the form of application for excess Rights Shares, to the purchaser or transferee, or bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Dealings in the Adjusted Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through the Central Clearing and Settlement System operated by HKSCC and you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of this prospectus, together with the provisional allotment letter, the form of application for excess Rights Shares and the written consent (referred to herein) have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange, the Securities and Futures Commission of Hong Kong and the Registrar of Companies in Bermuda take no responsibility as to the contents of any of the documents referred to above.



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0616)

RIGHTS ISSUE ON THE BASIS OF TWENTY RIGHTS SHARES FOR EVERY ONE ADJUSTED SHARE HELD ON THE RECORD DATE

Underwriter



結好證券有限公司
GET NICE SECURITIES LIMITED

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, inter alia, the fulfilment and/or waiver (where applicable) of the conditions set out in the sub-paragraph headed "Conditions of the Rights Issue" on page 18 of this prospectus. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events as set out in the section headed "Termination of the Underwriting Agreement" on pages 3 to 4 of this prospectus. Accordingly, the Rights Issue may or may not proceed.

Shareholders and potential investors of the Company should exercise caution when dealings in the Adjusted Shares. Any dealings in the Adjusted Shares up to the date on which all the conditions to which the Rights Issue is subject to are fulfilled and/or waived (as applicable) (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases), and any dealings in the Rights Shares in their nil-paid form from Wednesday, 8 April 2015 to Wednesday, 15 April 2015 (both dates inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. It is expected that the conditions referred to in the section headed "Conditions of the Rights Issue" in this prospectus are to be fulfilled on or before 4:00 p.m. on Wednesday, 22 April 2015. If the conditions referred to in that section are not fulfilled, the Underwriting Agreement shall terminate and the Rights Issue will not proceed. Any person contemplating buying or selling Adjusted Shares from the date of this prospectus and up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form from Wednesday, 8 April 2015 to Wednesday, 15 April 2015 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any persons contemplating dealings in the Adjusted Shares from the date of this prospectus and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers. It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to 4:00 p.m. on the Settlement Date to terminate its obligations under the Underwriting Agreement on the occurrence of certain events including force majeure. These events are summarised in the section headed "Termination of the Underwriting Agreement" on pages 3 to 4 of this prospectus. Upon the delivery of the notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and terminate and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the expenses in connection with the Rights Issue. If the Underwriter exercises such right, the Rights Issue will not proceed.

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Monday, 20 April 2015. The procedures for acceptance and payment or transfer of the Rights Shares are set out on pages 14 to 15 of this prospectus.

* for identification purposes only

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EXPECTED TIMETABLE

The expected timetable is set out below:

Event	2015 (Hong Kong time)
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 8 April
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 10 April
Designated broker starts to stand in the market to provide matching services for odd lots of Adjusted Shares.	9:00 a.m. on Monday, 13 April
Original counter for trading in Adjusted Shares in new board lots of 3,000 Adjusted Shares (in the form of new share certificates) re-opens	9:00 a.m. on Monday, 13 April
Parallel trading in Adjusted Shares (in the form of both existing share certificates in board lots of 50 Adjusted Shares and new share certificates in board lots of 3,000 Adjusted Shares) commences	9:00 a.m. on Monday, 13 April
Last day of dealings in nil-paid Rights Shares	4:00 pm on Wednesday, 15 April
Latest time for the acceptance of, and payment for, the Rights Shares and the application for excess Rights Shares	4:00 p.m. on Monday, 20 April
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional.	4:00 p.m. on Wednesday, 22 April
Announcement of the results of the Right Issue	Thursday, 23 April
Refund cheques to be despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares	Friday, 24 April

EXPECTED TIMETABLE

Certificates for fully paid Rights Shares to be despatched	Friday, 24 April
Commencement of dealings in fully paid Rights Shares	9:00 a.m. on Monday, 27 April
Temporary counter for trading in board lots of 50 Adjusted Shares (in the form of existing share certificates) closes	4:00 p.m. on Monday, 4 May
Parallel trading in the Adjusted Shares (in the form of new and existing share certificates) ends	4:00 p.m. on Monday, 4 May
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Adjusted Shares	4:00 p.m. on Monday, 4 May
Last day of free exchange of certificates for the Existing Shares into new certificates	Wednesday, 6 May

Notes:

- (i) *Dates specified in the Prospectus refer to Hong Kong local time and are indicative only and may be varied by agreement between the Company and the Underwriter. Shareholders will be notified of any change to the expected timetable as and when necessary.*
- (ii) *The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:*
 - (1) *in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or*
 - (2) *in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of, and payment for, the Rights Shares and for application and payment for excess Rights Shares. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.*

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take effect on the Acceptance Time, the dates mentioned above may be affected. The Company will notify Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by it to the Company at any time prior to 4:00 p.m. on the Settlement Date if:

- (i) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (ii) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue.

TERMINATION OF THE UNDERWRITING AGREEMENT

In addition, the Underwriter has the right to terminate the Underwriting Agreement if any material breach of the warranties under the Underwriting Agreement comes to the knowledge of the Underwriter.

Upon the giving of notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and neither it nor the Company shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter the fees and expenses payable under it (other than the underwriting commission). If the Underwriter exercises such right, the Rights Issue will not proceed.

DEFINITIONS

In the Prospectus, unless the contents otherwise requires, the following expressions have the meanings as set out below.

“Acceptance Time” or “Latest time for acceptance of and payment for the Rights Issue”	4:00 p.m. on Monday, 20 April 2015 (or such other time or date as the Underwriter may agree in writing with Easyknit Enterprises as the latest date of acceptance of, and payment of, Rights Shares)
“Adjusted Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of Easyknit Enterprises upon the Capital Reorganisation becoming effective
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Authorised Capital Increase”	the increase of authorised share capital of Easyknit Enterprises from HK\$10,000,000 divided into 1,000,000,000 Adjusted Shares to HK\$200,000,000 divided into 20,000,000,000 Adjusted Shares, which was a step in the Capital Reorganisation
“Board”	the board of Director(s)
“Business Day(s)”	a day (other than a Saturday and Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which banks are open for business in Hong Kong
“BVI”	the British Virgin Islands
“Capital Reduction”	the (i) reduction of the issued share capital of Easyknit Enterprises by the cancellation of the paid-up capital of Easyknit Enterprises to the extent of HK\$0.19 on each of the then issued Consolidated Shares such that the par value of each issued Consolidated Share reduced from HK\$0.20 to HK\$0.01; (ii) reduction of the authorised share capital of Easyknit Enterprises by reducing the par value of all unissued Consolidated Shares in the authorised share capital of Easyknit Enterprises from HK\$0.20 each to HK\$0.01 each resulting in the reduction of the authorised share capital of Easyknit Enterprises from HK\$200,000,000 divided into 1,000,000,000 Consolidated Shares to HK\$10,000,000 divided into 1,000,000,000 Adjusted Shares of HK\$0.01 each; and (iii) the credit amount arising from the reduction of the issued share capital of Easyknit Enterprises was transferred to the contributed surplus account of Easyknit Enterprises, which were steps in the Capital Reorganisation

DEFINITIONS

“Capital Reorganisation”	the capital reorganisation of Easyknit Enterprises involving the Share Consolidation, the Capital Reduction and the Authorised Capital Increase, which became effective on 25 March 2015
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company” or “Easyknit Enterprises”	Easyknit Enterprises Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of par value HK\$0.20 each in the share capital of Easyknit Enterprises immediately after the Share Consolidation becoming effective but before the Capital Reduction and the Authorised Capital Increase
“Director(s)”	director(s) of Easyknit Enterprises
“EAF(s)”	the excess application form(s) issued in connection with the Rights Issue
“Easyknit International”	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
“Goodco”	Goodco Development Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Easyknit International, being a substantial shareholder of Easyknit Enterprises
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Shareholders”	the Shareholder(s), other than (i) Easyknit International, Landmark Profits and Goodco and their respective associates; (ii) those who are connected, interested or involved in the Rights Issue; and (iii) those who were required to abstain from voting at the SGM convened to approve the Rights Issue and the matters relating thereunder
“Inverness Road Project”	the residential project of Nos. 14, 16, 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong with a total registered site area of 17,637 sq. ft.
“Inverness Road Property”	all the properties located at Nos. 14 & 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong
“Landmark Profits”	Landmark Profits Limited, a company incorporated in the BVI with limited liability, and a wholly-owned subsidiary of Easyknit International, being a substantial shareholder of Easyknit Enterprises
“Last Trading Day”	Monday, 2 February 2015, being the date of entering into the Underwriting Agreement
“Latest Practicable Date”	27 March 2015 (after trading hours), being the latest practicable date prior to the printing of the Prospectus for ascertaining certain information for inclusion in the Prospectus
“Latest time for termination of the Underwriting Agreement”	4:00 p.m. on Wednesday, 22 April 2015, or such other time as may be agreed between Easyknit Enterprises and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Matheson Street Project”	the redevelopment of the site comprising Nos. 11, 13 and 15 Matheson Street, Causeway Bay, Hong Kong
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) (if any) in respect of whom the Directors, based on legal opinions to be provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place

DEFINITIONS

“Overseas Shareholder(s)”	shareholder(s) whose name(s) appear on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong or Bermuda
“PAL(s)”	the provisional allotment letter(s) for the Rights Issue
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus issued in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Monday, 30 March 2015
“Registrar”	Tricor Secretaries Limited, the Company’s branch share registrar and transfer office in Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights to the Qualifying Shareholders for subscription on the terms to set out in the Prospectus Documents
“Rights Share(s)”	506,399,020 Adjusted Shares proposed now being offered to the Qualifying Shareholders for subscription on the basis of twenty Rights Shares for every one Adjusted Share held at the Record Date pursuant to the Rights Issue
“Settlement Date”	Wednesday, 22 April 2015, being the second Business Day following the Acceptance Time or such later date as the Company and the Underwriter may agree
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting convened and held on 24 March 2015 to consider and approve the Capital Reorganisation, the Rights Issue and the transactions contemplated thereunder
“Share Consolidation”	the consolidation of every twenty (20) issued and unissued Existing Shares into one (1) Consolidated Share, which was a step in the Capital Reorganisation

DEFINITIONS

“Share(s)” or “Existing Share(s)”	ordinary share(s) of par value HK\$0.01 each in the capital of Easyknit Enterprises before the Capital Reorganisation becoming effective, unless otherwise stated
“Shareholder(s)”	holder(s) of the Share(s), Consolidated Shares or Adjusted Share(s), as the case may be
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.65 per Rights Share
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs
“Undertakings”	the conditional irrevocable undertakings dated 2 February 2015 from Landmark Profits and Goodco to the Company and the Underwriter as described in the section headed “Undertakings” in the “Letter from the Board” of the Prospectus
“Underwriter”	Get Nice Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, the underwriter of the Rights Issue
“Underwriting Agreement”	the underwriting agreement, dated 2 February 2015, entered into between the Company and the Underwriter in relation to the underwriting and certain related arrangements in respect of the Rights Issue
“Underwritten Shares”	298,992,800 Rights Shares, being all the Rights Shares other than the Rights Shares provisionally allotted to and accepted by Landmark Profits and Goodco pursuant to the Undertakings under the Underwriting Agreement
“%”	percentage

LETTER FROM THE BOARD



EASYKNIT ENTERPRISES HOLDINGS LIMITED

永義實業集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0616)

Executive Directors:

Mr. Kwong Jimmy Cheung Tim
(Chairman and Chief Executive Officer)

Ms. Lui Yuk Chu
(Deputy Chairman)

Ms. Koon Ho Yan Candy

Non-executive Directors:

Mr. Tse Wing Chiu Ricky

Mr. Lai Law Kau

Independent Non-executive Directors:

Mr. Kan Ka Hon

Mr. Lau Sin Ming

Mr. Foo Tak Ching

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

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

Block A, 7th Floor

Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road

Cheung Sha Wan

Kowloon

Hong Kong

1 April 2015

To the Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
TWENTY RIGHTS SHARES FOR EVERY ONE ADJUSTED SHARE
HELD AT THE RECORD DATE**

INTRODUCTION

Reference is made to the circular of the Company dated 2 March 2015 relating to the Capital Reorganisation, the change in board lot size and the Rights Issue.

As at the SGM held on Tuesday, 24 March 2015, the necessary resolutions approving, among other things, the Capital Reorganisation and the Rights Issue, were duly passed by the Shareholders or the Independent Shareholders (as the case may be) by way of poll. The Capital Reorganisation became effective at 9:00 a.m. on Wednesday, 25 March 2015.

* *for identification purposes only*

LETTER FROM THE BOARD

The purpose of the Prospectus is to provide you with, among other things, further details about the Rights Issue.

THE RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	Twenty (20) Rights Shares for every one (1) issued Adjusted Share held on the Record Date and payable in full on acceptance
Number of Adjusted Shares in issue as at the Record Date	:	25,319,951 Adjusted Shares
Number of Rights Shares	:	506,399,020 Adjusted Shares
Aggregate nominal value of the Rights Shares	:	HK\$5,063,990.20
Subscription Price	:	HK\$0.65 per Rights Shares
Enlarged issued share capital of Easyknit Enterprises immediately upon completion of the Rights Issue	:	531,718,971 Adjusted Shares
Fund raised before expenses	:	approximately HK\$329.2 million
Net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares	:	approximately HK\$0.644 per Rights Share
Underwriter	:	Get Nice Securities Limited

As at the date of the Prospectus, Easyknit International held an outstanding convertible note in principal amount of HK\$20,000,000 which are convertible into Adjusted Shares during the five-year period commencing from 27 March 2014 at the prevailing conversion price of HK\$10.65 per Adjusted Share (subject to adjustment).

With the exception of the above, as at the Latest Practicable Date, the Company does not have any outstanding share options granted under any of its share option scheme or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Adjusted Shares.

LETTER FROM THE BOARD

Pursuant to the Undertakings as described in the paragraph headed “Undertakings” of the section headed “Underwriting Agreement for the Rights Issue” below, each of Landmark Profits and Goodco has irrevocably undertaken to the Company and the Underwriter that the Shares beneficially owned by them will not be disposed of or transferred from the date of the undertaking to the Record Date and that the Rights Shares provisionally allotted in respect of those Adjusted Shares will be accepted in full. In addition, Landmark Profits and Goodco will not apply for any excess Rights Shares. Accordingly, the estimated net proceeds from the Rights Issue will be approximately HK\$326 million of which approximately HK\$260 million are intended to be used for the redevelopment of Inverness Road Project and the remaining balance of approximately HK\$66 million for general corporate purposes.

Basis of allotment

The basis of allotment will be twenty (20) Rights Shares for every one (1) Adjusted Share in issue and held on the Record Date, and acceptance of all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied therefor.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.65 per Rights Share, payable in full when a Qualifying Shareholder accepts the provisional allotment under the Rights Issue or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 85.62% to the adjusted closing price of HK\$4.52 per Adjusted Share, based on the closing price of HK\$0.226 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (ii) a discount of approximately 85.16% to the adjusted average closing price of HK\$4.38 per Adjusted Share, based on the average closing price of HK\$0.219 per Existing Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (iii) a discount of approximately 21.68% to the theoretical ex-rights price of HK\$0.83 per Adjusted Share after the Rights Issue, based on the closing price of HK\$0.226 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (iv) a discount of approximately 59.88% to the closing price of HK\$1.62 per Adjusted Share as quoted on the Stock Exchange on the Latest Practicable Date; and

LETTER FROM THE BOARD

- (v) a discount of approximately 6.63% to the theoretical ex-rights price of HK\$0.696 per Adjusted Share, based on the closing price of HK\$1.62 per Adjusted Share as quoted on the Stock Exchange on the Latest Practicable Date.

Each Rights Share will have par value of HK\$0.01.

The Subscription Price was determined based on arm's length negotiations between the Company and the Underwriter with reference to (i) the low trading liquidity of the Shares for the recent 12 months; (ii) the prevailing market price of the Shares, which has been on a declining trend; (iii) the net loss of the Group in the past year; and (iv) the Directors' consideration of the future business development of the Group.

The substantial discount to the recent closing price of the Shares represented by the Subscription Price is made with a view to encourage the Qualifying Shareholders to participate in the Rights Issue while maintaining their shareholdings in the Company and taking part in its future growth. Given the abovementioned factors and as indicated during the negotiation of the Underwriting Agreement, this level of Subscription Price is necessary to enable the Underwriter and/or the sub-underwriters to provide the underwriting commitment.

The Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

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

Fractional entitlements to the Rights Issues

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market, if a premium (net of expenses) can be obtained, for the benefit of the Company. Any unsold fractions of Rights Shares will be available for excess application.

LETTER FROM THE BOARD

Qualifying Shareholders

The Company is sending the Prospectus Documents to the Qualifying Shareholders. The Company is sending copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send the PAL and EAF to the Non-Qualifying Shareholders.

To qualify for the Rights Issue, an investor must be a Qualifying Shareholder.

Shareholders with registered addresses outside Hong Kong or Bermuda

No person receiving the Prospectus or the PAL or the EAF in any territory outside Hong Kong or Bermuda may treat it as an offer or invitation to take up Rights Shares or apply for excess Rights Shares, except in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of persons outside Hong Kong or Bermuda wishing to take up or make an application for Rights Shares to satisfy themselves, before accepting any provisional allotment of Rights Shares or applying for excess Rights Shares, as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith without prejudice to the foregoing. The Company reserves the right to refuse to act on any acceptance of provisional allotments of Rights Shares and to refuse to accept any application for excess Rights Shares where it believes that doing so would or may violate applicable securities legislations or other laws or regulations of any jurisdiction.

Based on the register of members of the Company on the Record Date, none of the Shareholders had address outside of Hong Kong. Accordingly, there is no Non-Qualifying Shareholder for the purpose of the Rights Issue.

Procedure for acceptance and payment or transfer

A PAL is enclosed with the Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If the Qualifying Shareholders wish to exercise their right to subscribe for all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar in Hong Kong, by no later than 4:00 p.m. on Monday, 20 April 2015. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Easyknit Enterprises Holdings Limited — Rights Issue Account**" and crossed "**Account Payee Only**". Any payment for the Rights Shares should be rounded down to 2 decimal points.

LETTER FROM THE BOARD

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar in Hong Kong by 4:00 p.m. on Monday, 20 April 2015, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may (at its sole discretion) treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions in the PAL.

The Company reserves the right to refuse to act on any acceptance of provisional allotments of Rights Shares and to refuse to accept any application for excess Rights Shares where it believes that in doing so would or may violate the applicable securities legislations or other laws or regulations of any jurisdiction.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer a part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer all of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 10 April 2015 to the Registrar in Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required.

All cheques or cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before 4:00 p.m. on the Settlement Date, the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post to their registered addresses at the risk of such applicants on or before Friday, 24 April 2015.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any Rights Shares provisionally allotted but not accepted.

Qualifying Shareholders who wish to apply for any Rights Shares in addition to their provisional allotment must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar in Hong Kong, by no later than 4:00 p.m. on Monday, 20 April 2015. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, and cashier orders must be issued by, a licensed bank in Hong Kong and made payable to “**Easyknit Enterprises Holdings Limited — Excess Application**”

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Account” and crossed **“Account Payee Only”**. The Registrar in Hong Kong will notify the Qualifying Shareholders of any allotment of excess Rights Shares made to them, which allotments will be at the discretion of the Directors. The Directors will allocate the excess Rights Shares at their discretion with reference to the level of acceptances of the Rights Shares and the number of excess Rights Shares available on a fair and equitable basis on the following principles:

- i. preference will be given to applications for topping-up odd lot holdings to whole lot holdings where it appears to the Directors that such applications are not made with the intention to abuse such mechanism; and
- ii. subject to availability of the excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro-rata basis based on the excess Rights Shares applied by them, with board lots allocation to be made on best efforts basis.

Investors with their Shares held by a nominee should note that the nominee is a single Shareholder for the purposes of the Rights Issue. Accordingly, investors whose Shares are registered in the names of nominees should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to beneficial owners individually.

The Latest time for acceptance of Rights Issue and application for excess Rights Shares as well as respective payment thereof will be 4:00 p.m. on Monday, 20 April 2015, or such later date or time as may be agreed between the Company and the Underwriter.

If no excess Rights Shares are allotted to an applicant for excess Rights Shares or the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before 4:00 p.m. on the Settlement Date, the monies received in respect of relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post to the registered addresses at the risk of such applicants on or before Friday, 24 April 2015.

All cheques or cashier orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable.

All documents, including cheques or cashier orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar in Hong Kong.

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Listing and dealings

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal on the Stock Exchange in the Rights Shares, in both their nil-paid and fully-paid forms.

No part of the share capital of the Company is listed or dealt in, and no listing or permission to deal is being or is proposed to be sought, on any other stock exchange other than the Stock Exchange. Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted into CCASS. Dealings in the Rights Shares in both their nil-paid and fully-paid forms, both of which will be traded in board lots of 3,000, registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty and other applicable fees in Hong Kong.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to the Qualifying Shareholders by ordinary post at their own risk on or before Friday, 24 April 2015. One share certificate will be issued for all the Rights Shares allotted to the applicant.

Refund cheques in respect of wholly or partly unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 24 April 2015 by ordinary post to the applicants at their own risk.

The first day of dealing in the Rights Shares in their fully-paid form is expected to commence on Monday, 27 April 2015.

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Taxation

Qualifying Shareholders should consult their professional advisers to the tax implications of the holding or disposal of, or dealings in the Rights Shares in both their nil-paid and fully-paid forms. It is emphasised that none of the Company, the Directors or any parties involved in the Rights Issue accepts responsibility for any tax effect or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon, among other things, each of the following:

- (i) compliance with and performance by Easyknit Enterprises of certain undertakings and obligations under the terms of the Underwriting Agreement;
- (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and such listings and permission to deal not having been withdrawn or revoked on or before 4:00 p.m. on the Settlement Date;
- (iii) if required, the Bermuda Monetary Authority granting its consent to the issue of Rights Shares;
- (iv) the shares of the Company remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the shares of the Company not having been withdrawn or the trading of the shares of the Company not having been suspended for a consecutive period of more than five trading days; and
- (v) delivery by the Company to the Underwriter of irrevocable undertakings by Landmark Profits and Goodco to accept their respective provisional allotments under the Rights Issue and fulfilment of their respective obligations under the Undertakings.

The Rights Issue will not proceed if the Underwriting Agreement is terminated.

In the event that the conditions (i), (ii) and (iii) above have not been satisfied/or waived (other than conditions (i) and (ii) above which cannot be waived in whole or part by the Underwriter) on or before 4:00 p.m. on the Settlement Date (or, in each case, such later date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and neither party shall have any claim against the other (except that certain expenses of the Underwriter shall remain payable by the Company) and the irrevocable undertakings by Landmark Profits and Goodco to accept their entitlements under the Rights Issue will lapse and the Rights Issue will not proceed.

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UNDERWRITING AGREEMENT FOR THE RIGHTS ISSUE

Undertakings

As at the Latest Practicable Date, Easyknit International, through Landmark Profits and Goodco, is interested in 10,370,311 Shares, representing approximately 40.96% of the Company's total issued share capital. As at the date of the Prospectus, Easyknit International also held an outstanding convertible note in principal amount of HK\$20,000,000 which is convertible into Adjusted Shares during the five-year period commencing from 27 March 2014 at the prevailing conversion price of HK\$10.65 per Adjusted Share (subject to adjustment).

Each of Landmark Profits and Goodco has irrevocably undertaken to the Company and the Underwriter that the Shares beneficially owned by them will not be disposed of or transferred from the date of the Undertakings, being the date of the Underwriting Agreement, to the Record Date and that the Rights Shares provisionally allotted in respect of those Adjusted Shares will be accepted in full, representing a total of 207,406,220 Rights Shares. Landmark Profits and Goodco will not apply for any excess Rights Shares.

Underwriting Agreement

Date	:	2 February 2015
Underwriter	:	Get Nice Securities Limited
Number of Rights Shares being underwritten by the Underwriter	:	All Rights Shares which are not subject to the Undertakings, being 298,992,800 Rights Shares
Commission	:	1.0% of the aggregate Subscription Price in respect of the Rights Shares not subject to the Undertakings, as determined on the Record Date

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are third parties independent of the Company and its connected persons. As at the Latest Practicable Date, the Underwriter has no interest in Shares.

The commission rate was determined after arm's length negotiations between the Company and the Underwriter by reference to the size of the Rights Issue, and the current and expected market conditions. The Board considers that the terms of the Underwriting Agreement, including the commission rate, are fair and reasonable as far as the Company and the Shareholders are concerned.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing given by it to the Company at any time prior to 4:00 p.m. on the Settlement Date. Details of which are set out in the section headed “Termination of the Underwriting Agreement” of the Prospectus.

EFFECT ON THE SHAREHOLDING STRUCTURE OF EASYKNIT ENTERPRISES

On or before the Latest Practicable Date, none of the outstanding convertible note was exercised by Goodco. Hence, set out below is the shareholding structure of the Company (a) as at the Latest Practicable Date; (b) immediately after completion of the Rights Issue assuming all Rights Shares are taken up by Qualifying Shareholder; and (c) immediately after completion of the Rights Issue assuming only Landmark Profits and Goodco take up their Rights Shares.

	As at the Latest Practicable Date		Immediately after the completion of the Rights Issue (all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after the completion of the Rights Issue (only Landmark Profits and Goodco have subscribed the Rights Shares)	
	<i>No. of Adjusted Shares</i>	%	<i>No. of Adjusted Shares</i>	%	<i>No. of Adjusted Shares</i>	%
<i>Landmark Profits</i>	2,121,304	8.38	44,547,384	8.38	44,547,384	8.38
<i>Goodco</i>						
— Shares of the Company	8,249,007	32.58	173,229,147	32.58	173,229,147	32.58
— Underlying shares of the Company of the outstanding convertible notes (<i>Notes 1, 2 and 3</i>)	1,877,934		1,877,934		1,877,934	
Sub-total	10,370,311	40.96	217,776,531	40.96	217,776,531	40.96
<i>Public</i>						
Underwriter	—	0.00	—	0.00	298,992,800	56.23
Other public Shareholders	14,949,640	59.04	313,942,440	59.04	14,949,640	2.81
Total	<u>25,319,951</u>	<u>100.00</u>	<u>531,718,971</u>	<u>100.00</u>	<u>531,718,971</u>	<u>100.00</u>

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Notes:

1. The shares of the Company underlying the outstanding convertible note do not represent the Company's issued shares.
2. Pursuant to the terms of the convertible note, Goodco may convert at any time within the five-year period commencing from 27 March 2014.
3. Please refer to the paragraph headed "Adjustments to the convertible note" of this letter.

Immediately following the Rights Issue, the Company will remain as a subsidiary of Easyknit International.

Pursuant to the Underwriting Agreement, in the event that the Underwriter is called upon to subscribe for or to procure subscribers for the Underwritten Shares, the Underwriter shall use its best endeavours to ensure that (i) each of the subscribers of the Underwritten Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors or chief executive or substantial shareholders of the Company or their respective associates; and (ii) the public float requirements under Rule 8.08 of the Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

The Company has been informed by the Underwriter that the Underwriter will enter into sub-underwriting agreements with sub-underwriters to ensure the fulfilment of its obligations to underwrite all Rights Shares which are not subject to the Undertakings, being the 298,992,800 Rights Shares together with its obligation, set out above. The Underwriter confirms that no subscribers will become a substantial Shareholder immediately upon completion of the Rights Issue.

ADJUSTMENTS TO THE CONVERTIBLE NOTE

As at the date of the Prospectus, the outstanding aggregate principal amount of the convertible note amounted to HK\$20,000,000 which is convertible into Adjusted Shares during the five-year period commencing from 27 March 2014 at the conversion price of HK\$10.65 per Adjusted Share (subject to adjustment).

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in property investments, property development, garment sourcing and export businesses, investment in securities and loan financing.

Upon the completion of the acquisition of all properties of Nos. 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong for HK\$169,500,000 on 15 January 2015, the Group planned to commence the redevelopment of the Inverness Road Project in May 2015.

As mentioned in the Company's circular dated 26 September 2014 relating to the acquisition of Nos. 14 and 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong (registered site area of approximately 8,441 sq.ft. and a maximum gross floor area of approximately 25,323 sq.ft.), the estimated redevelopment cost was HK\$245 million.

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Following the completion of the acquisition of Nos. 18 and 20 Inverness Road, the Inverness Road Project incorporated the site of Nos. 14, 16, 18 and 20 Inverness Road with a total registered site area of 15,500 sq.ft. and having a maximum gross floor area of approximately 46,500 sq.ft. which leads to a higher estimated redevelopment cost of approximately HK\$500 million to HK\$550 million at current prices. This redevelopment cost is higher because of the increase in the maximum gross floor area and the increase in the land premium to be payable to the government. The site will be developed into properties for residential use and the Directors estimated that it will take approximately 4 years. The preliminary allocation of the development cost is 15% (for demolition and foundation works) and 65% (payment of land premium) are to be utilised in 2015 and 2016 respectively; and the remaining 20% for 2017 and 2018. Since the demolition and foundation works of the Inverness Road Project will commence in 2015, a cost amounting to approximately HK\$75 million to HK\$82.5 million is expected to be utilised shortly in 2015. Following the payment of land premium amounting to approximately HK\$325 million to HK\$357.5 million in 2016, the development cost to be incurred in 2015 and 2016 in aggregate amounting to approximately HK\$400 million to HK\$440 million is expected to arise imminently. Since timely financing is vital to the progression of the Inverness Road Project, Directors consider that it is necessary for the Group to obtain new funding to commit the Inverness Road Project and therefore the funding need of the Company is commercially justifiable. Moreover, the Group may be able to reduce the number of fund raising activities which could be costly and time consuming to the Group by raising HK\$260 million upfront to satisfy the imminent need of funding for the Inverness Road Project. For the remaining balance of the development cost, the Company shall consider different methods of future financing including but without limitation to bank financing and/or equity issuances. The redevelopment cost includes but without limitation to the planning and design, demolition, foundation works, superstructure construction and interior works. The general building plan to redevelop the Inverness Road Project has been submitted to Buildings Department on 26 January 2015 and the approval shall be obtained in 6 months' time; and the issuance of the consent for work commencement shall be obtained in early 2016. The construction works of the superstructure targets to commence in early 2017.

As at 31 December 2014, the Group has unaudited cash and cash equivalents of approximately HK\$271 million, of which RMB49 million, is equivalent to HK\$60 million, is tied up in the PRC as investment capital which it is not practical to be transferred back to Hong Kong. Of the balance of HK\$211 million, approximately HK\$205 million has been earmarked for the acquisition of the Matheson Street Project, leaving the balance funds is approximately HK\$6 million. In addition, as at 31 December 2014, the Group has a portfolio of securities investment with fair value of approximately HK\$100 million.

For the Matheson Street Project, 10 sets of formal sale and purchase agreement dated 26 March 2015 have been signed with 10 vendors to purchase their respective 10 units at 1st floor to 5th floor of No. 11 and 13 Matheson Street, Causeway Bay, Hong Kong for an aggregate consideration and other related expenses of HK\$183,000,000. The consideration was financed by the Company's earmarked funds of approximately HK\$205 million which were raised from the previous fund raising activities of the Company solely for the acquisition and redevelopment for this project. The completion of the purchase shall take

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place on or before 17 June 2015 on the condition that the shareholders' approval can be obtained in the special general meeting of the Company to be held in May 2015. Upon the completion of such acquisitions, the Group via its subsidiaries are the registered owners of all the properties of Nos. 13 and 15 Matheson Street. For redevelopment purpose, the Company shall consider to acquire the sole remaining unit at ground floor of No. 11 Matheson Street by commencing the negotiations with the owner of that remaining unit when the time is appropriate. The Directors estimated that the acquisitions of the remaining unit and the redevelopment costs are currently estimated to be between HK\$350 million and HK\$400 million. For the remaining balance of the acquisition cost and the redevelopment cost, the Company shall consider different methods of future financing including but without limitation to bank financing and/or equity issuances.

The Group expects to raise net proceeds of approximately HK\$326 million from the Rights Issue, after payment of expenses (equivalent to a net proceeds of HK\$0.644 per Rights Share).

The Company intends to apply the net proceeds of the Rights Issue as to approximately HK\$260 million for redevelopment cost of the Inverness Road Project and the remaining balance of approximately HK\$66 million for general corporate purposes. The Rights Issue will increase equity capital base and strengthen the capital structure and balance sheet of the Company. For the remaining balance of the redevelopment cost, the Company shall consider different methods of future financing including but without limitation to bank financing and/or equity issuances.

Apart from the Rights Issue, the Company has also considered alternative fund raising methods, such as debt financing and a private placing equity. In regard to debt financing, the Directors consider that this will incur interest costs that to affect the profitability of the Group as well as creating a liability on its balance sheet. In regard to the placing, the Directors are of the view that it would cause a material dilution effect to the shareholding of the existing Shareholders as it would involve the issue of a substantial amount of new Shares and the existing Shareholders may lose the opportunity to participate in the placing. The Directors are in the view that they may consider and arrange banking facilities for financing the development cost of the Inverness Road Project but as at the Latest Practicable Date, the Company has no concrete plan in obtaining banking facilities yet. The Board considers that the Rights Issue will allow the Group to strengthen the balance sheet without incurring any interest cost and will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund raising of this scale through the Rights Issue is in the best interests of the Company and the Shareholders as a whole.

Having considered the above, the Directors are of the view that the Rights Issue is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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FUND RAISING ACTIVITIES OF THE COMPANY FOR THE PAST 12 MONTHS

The following table sets out the fund raising activities of the Company during the past 12 months immediately before the date of the Prospectus:

Fund raising activities of the Company in the past 12 months

Date	Fund raising activity	Discount or premium of the price of the fund raising activity	Individual dilution effect of the fund raising activity	Accumulated dilution effect of the fund raising activities	Net proceeds	Proposed use of proceeds	Actual use of proceeds
16 January 2014	Issue of convertible note with an aggregated principal amount of HK\$100 million which may be converted into Shares	The initial conversion price of HK\$0.68 represented a premium of approximately 15.25% to the closing price of HK\$0.59 as quoted on the Stock Exchange on 16 January 2014	(i) Conversion on 3 April 2014 (“Conversion 1”) – Dilution to the shareholding of the existing Shareholders represented a dilution of approximately 9.02%	(i) The shareholding of the existing Shareholders would decrease from 100% to 90.98%	HK\$98.7 million*	For the acquisition and redevelopment of the Matheson Street Project	To be applied as intended
			(ii) Conversion on 29 August 2014 (“Conversion 2”) – Dilution to the shareholding of the existing Shareholders represented a dilution of approximately 16.61%	(ii) The shareholding of the existing Shareholders would decrease from 63.21% to 52.71%			
6 June 2014	Placing of 65,200,000 new Shares under general mandate (“Placing 1”)	The placing price of HK\$0.35 represented a discount of approximately 11.39% to the closing price of HK\$0.395 as quoted on the Stock Exchange on 6 June 2014	Dilution to the shareholding of the existing Shareholders represented a dilution of approximately 16.67%	The shareholding of the existing Shareholders would decrease from 90.98% to 75.81%	HK\$22.5 million	For general working capital	Applied as intended

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Date	Fund raising activity	Discount or premium of the price of the fund raising activity	Individual dilution effect of the fund raising activity	Accumulated dilution effect of the fund raising activities	Net proceeds	Proposed use of proceeds	Actual use of proceeds
11 August 2014	Placing of 78,000,000 new Shares under general Mandate ("Placing 2")	The placing price of HK\$0.30 represented a discount of approximately 16.66% to the closing price of HK\$0.36 as quoted on the Stock Exchange on 11 August 2014	Dilution to the shareholding of the existing Shareholders represented a dilution of approximately 16.62%	The shareholding of the existing Shareholders would decrease from 75.81% to 63.21%	HK\$23.1 million	For general working capital	Applied as intended
5 September 2014	Rights Issue of 450,132,472 new Shares ("Rights Issue 2014")	The subscription price of HK\$0.70 represented a discount of approximately 80.82% to the then adjusted closing price of HK\$3.65 per adjusted share, based on the closing price of HK\$0.365 per share as quoted on the Stock Exchange on 5 September 2014	Dilution to the shareholding of the existing Shareholders represented a dilution of approximately 88.89%	The shareholding of the existing Shareholders would decrease from 52.71% to 5.85%	HK\$312.0 million	For the acquisition of Inverness Road Property	Applied as intended

Note:

- * Since the net proceeds of HK\$98.7 million was approved by the Shareholders on 7 March 2014 for the purpose to redevelop the Matheson Street Project and therefore the Directors are in the view that it is appropriate to continue earmarking such funds for Matheson Street Project. As at the Latest Practicable Date, such funds are deposited in the banks.

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Notes:

1. Upon completion of the issue of convertible note, Goodco held an outstanding convertible note in aggregate principal amount of HK\$100 million which is convertible into Shares during the five-year period commencing from 27 March 2014 at the initial conversion price of HK\$0.68 per Share (subject to adjustment). On 27 March 2014, no conversion right has been exercised by Goodco.
2. On 3 April 2014, Goodco exercised the conversion right attaching to the conversion note in the principal amount of HK\$20 million at the then prevailing conversion price of HK\$0.68 per Share.
3. On 29 August 2014, Goodco exercised the conversion right attaching to the conversion note in the principal amount of HK\$60 million at the then prevailing conversion price of HK\$0.642 per Share.
4. As a result of the series of share placements and corporate exercises (including the Rights Issue) of the Company in the past 12 months immediately preceding to the date of the Prospectus, the accumulated dilution effect with reference to the number of existing Shares in issue as at 1 January 2014 (i.e. 296,595,900 Shares) is 99.71%.

The Directors are in the view that the Rights Issue offers the Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Shareholders to maintain their proportionate interests in the Company and to participate in the future business development of the Company should they wish to do so. For Shareholders who take up their assured entitlements in full under the Rights Issue, they will be able to maintain their proportional shareholding interests in the Company after completion of the Rights Issue.

For Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. Notwithstanding the potential dilution to the Shareholders' proportional shareholding interests in the Company, having taken into account that:

- (i) the Shareholders are offered an opportunity to attend and vote for or against the relevant resolution in relation to the Rights Issue and the Underwriting Agreement at the SGM;
- (ii) the Shareholders can elect to accept the Rights Issue or not;
- (iii) the Shareholders have the opportunities to sell their nil-paid rights to subscribe for the Rights Shares in the market for economic benefits;
- (iv) the Rights Issue offers the Shareholders an opportunity to subscribe for their Rights Shares for the purpose of maintaining their respective pro-rata shareholding interests in the Company at a relatively deep discount as compared to the historical and prevailing market price of the Shares; and
- (v) those Shareholders who take up their assured entitlements in full under the Rights Issue will be able to maintain their respective pro-rata shareholding interests in the Company after completion of the Rights Issue,

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the Directors have considered the individual dilution impact of the Rights Issue, the cumulative dilution impacts of the fund raising activities and the percentage of cumulative dilution to the existing shareholding interests of the Shareholders, are of the view that the potential dilution effect on the existing shareholding interests of the Shareholders, which may only result when the Shareholders do not subscribe for their pro-rata Rights Shares, is in the interests of the Shareholders and the Company as a whole.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Overall

For the six months ended 30 September 2014 (“**Period**”), the Group’s unaudited consolidated loss attributable to shareholders of the Company for the Period was HK\$76,084,000 as compared to a profit of HK\$4,071,000 for the corresponding period in 2013 (“**2013 Period**”). The loss was mainly attributable to a loss of HK\$103,833,000 on changes in fair value of investment properties.

The basic loss per share for the Period amounted to HK cents 19.16 compared with basic earnings per share HK cents 4.41 for 2013 Period.

The Board did not declare or recommend the payment of an interim dividend for the Period (2013 Period: nil).

During the Period, the Group was principally engaged in the property investments, comprising the ownership and rental of investment properties, garment sourcing and export businesses, investment in securities and loan financing.

Geographical Analysis of Turnover

During the Period, the turnover from garment sourcing and export businesses was mainly derived from customers in the US. Rental income from the investment properties was derived from the properties located in Hong Kong and the PRC.

(i) Garment Sourcing and Export Businesses

For the Period, this segment recorded a turnover of HK\$119,532,000 (2013 Period: HK\$96,969,000) representing 23.3% increase comparing with the 2013 Period. Cost of sales for the Period amounted to HK\$107,186,000 (2013 Period: HK\$86,361,000). The gain of HK\$1,293,000 (2013 Period: loss of HK\$2,077,000) was mainly due to the increase in sales volume with the major customers.

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(ii) Property Investments

Turnover from the property investments segment increased by 32.2% to HK\$8,389,000 for the Period as compared with the 2013 Period of HK\$6,345,000; of which HK\$5,261,000 and HK\$3,128,000 were generated from the properties in Hong Kong and PRC respectively. The increase in turnover primarily is attributed to the addition of the investment properties, the effect of tenancy renewal, periodic rental adjustments under the clauses of the existing tenancy agreements and new tenants.

The Group has 8 blocks of factory premises and 4 blocks of dormitories with a total gross floor areas of approximately 89,548 sq.m. in Huzhou, PRC.

(iii) Investment in Securities

The Group has maintained a portfolio of listed equity securities in Hong Kong with available for-sale investments and investments held for trading. For the Period, this segment recorded a gain of HK\$24,068,000 (2013 Period: loss of HK\$992,000).

Events after the reporting period

On 30 October 2014, Land Bloom Holdings Limited, a wholly owned subsidiary of the Company, entered into five provisional sale and purchase agreements with independent third parties to acquire the properties situated at No. 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong at an aggregate consideration and other related expenses of HK\$169,500,000. Completion of the sale and purchase took place on 15 January 2015 after shareholders' approval was obtained in the special general meeting of the Company held on 12 January 2015.

On 18 March 2015, Chancemore Limited, an indirect wholly-owned subsidiary of the Company, entered into 10 sets of provisional sale and purchase agreements with independent third parties to acquire the properties situated at No. 11 and 13 Matheson Street, Causeway Bay, Hong Kong at an aggregate consideration and other related expenses of HK\$183,000,000. Completion of the purchase shall take place on or before 17 June 2015 on the condition that the shareholders' approval can be obtained in the special general meeting of the Company to be held in May 2015.

As at the SGM held on 24 March 2015, the necessary resolutions approving, among other things, the Capital Reorganisation and the Rights Issue, were duly passed by the Shareholders of the Independent Shareholders (as the case may be) by way of poll. The Capital Reorganisation became effective at 9:00 a.m. on 25 March 2015.

As at the date of the Prospectus, the outstanding aggregate principal amount of the convertible note amounted to HK\$20,000,000 is convertible into Adjusted Shares during the five-year period commencing from 27 March 2014, at the conversion price of HK\$10.65 per Adjusted Share (subject to adjustment).

LETTER FROM THE BOARD

Prospects

Looking forward to year 2015/16, despite of a number of uncertainties are still affecting the global financial market, such as adjustments to the macroeconomic policies of major economies and geopolitical tensions, the low interest environment is likely to continue, which favours the economic recovery. The global economy is on the track of more solid economic recovery proven by the major indicators. The unemployment rate of the US economy is improved. European countries are also showing signs of upturn. It is expected that China will continue with its medium to high speed of economic growth with the support of full-scale commencement of internal reforms and the determination of macroeconomic policies.

Increasing sourcing and labour costs, transfer of customer orders and other operating pressure are still affecting the garment industry. The Group is dedicated to maintain good and close relationship with valuable customers, strengthen its current sales and marketing strategies to meet the prevailing trend of the garment industry, and explore new markets and increase profit margins.

The residential property market continues to be quiet since the introduction of the various control policies by the local government. Nevertheless, the Group remains confident and optimistic towards the residential property market with the environment of low mortgage rates, tight supply in the urban and luxurious areas, as well as strong domestic household demand.

There are many difficulties in the operating environment, but they breed development opportunities as well. The business growth of the Group is expected to accelerate and accordingly, the positive outcomes will be gradually reflected in the future with the recovery of the worldwide economy. The Board is optimistic towards its core businesses and will seize the business opportunities to achieve long-term sustainable growth for the benefit of the Group and its shareholders as a whole.

WARNING OF THE RISK OF DEALINGS IN THE ADJUSTED SHARES AND THE NIL-PAID RIGHTS SHARES

Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 8 April 2015 to Wednesday, 15 April 2015 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed.

Any Shareholders or other persons dealing in the Adjusted Shares up to the date on which all the conditions to which the Rights Issue is subject to are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Wednesday, 8 April 2015 to Wednesday, 15 April 2015 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. If in any doubt, investors should consult their professional advisers.

LETTER FROM THE BOARD

PERMISSION OF THE BERMUDA MONETARY AUTHORITY

Permission under the Exchange Control Act 1972 of Bermuda (as amended) (and regulations made thereunder) has been granted by the Bermuda Monetary Authority in respect of the issue of the Rights Shares to persons regarded as non-residents of Bermuda for exchange control purposes subject to the requirement that the Shares are listed on the Stock Exchange. In granting such permission, neither the Bermuda Monetary Authority nor the Registrar of Companies in Bermuda accepts any responsibility for the financial soundness of the Group or for the correctness of any statements made or opinions expressed in this Prospectus.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of
EASYKNIT ENTERPRISES HOLDINGS LIMITED
Kwong Jimmy Cheung Tim
Chairman and Chief Executive Officer

1. DIRECTORS**Particulars of Directors**

Name	Address
Executive Directors	
Kwong Jimmy Cheung Tim	Flat F, 25th Floor Block 5, Hanford Garden 333 Castle Peak Road Castle Peak Bay Tuen Mun New Territories Hong Kong
Lui Yuk Chu	No. 7, Braga Circuit Kowloon Hong Kong
Koon Ho Yan Candy	No. 7, Braga Circuit Kowloon Hong Kong
Non-executive Directors	
Tse Wing Chiu Ricky	House D6 Flamingo Garden No. 7, Fei Wan Road Fei Ngo Shan New Territories Hong Kong
Lai Law Kau	Flat A, 20/F., One Victory 1-3A Victory Avenue Ho Man Tin Kowloon Hong Kong
Independent Non-executive Directors	
Kan Ka Hon	Flat A, 7th Floor, Block 15 Symphony Bay Villa Rhapsody 553 Sai Sha Road Sai Kung New Territories Hong Kong
Lau Sin Ming	Flat D, 4th Floor Wah Shing Building 19 Castle Peak Road Kowloon Hong Kong
Foo Tak Ching	Flat A, 11th Floor Skyline Mansion 51 Conduit Road Hong Kong

Executive Directors***Mr. Kwong Jimmy Cheung Tim (Chairman and Chief Executive Officer)***

Mr. Kwong, aged 72, is an executive Director, chairman, and chief executive officer and authorised representative of the Company and chairman of the Executive Committee. He is also an executive director, president, chief executive officer and authorised representative, and chairman of the Executive Committee of Easyknit International. Mr. Kwong graduated from the University of Hong Kong in 1965 and was admitted as a Barrister-at-Law in the United Kingdom in 1970 and in Hong Kong in 1973 respectively. He serves as director of various subsidiaries of the Company and Easyknit International. Mr. Kwong was appointed to the Board as an independent non-executive Director in 2003, and was subsequently re-designated as an executive Director in 2007. In 2007, Mr. Kwong was appointed as chairman and chief executive officer of the Company.

Ms. Lui Yuk Chu (Deputy Chairman)

Ms. Lui, aged 57, is an executive Director and deputy chairman of the Company and a member of the Executive Committee. She is also an executive director and vice president, and a member of the Executive Committee of Easyknit International. Ms. Lui has been involved in the textiles industry for a number of years and has experience in design, manufacturing, marketing and distribution of apparel. She serves as director of various subsidiaries of the Company and Easyknit International. Ms. Lui was appointed to the Board as an executive Director in 2003 and was appointed as deputy chairman in 2006. She is the mother of Ms. Koon Ho Yan Candy, an executive Director of the Company. Ms. Lui is also the paternal sister-in-law of Mr. Lai Law Kau, a non-executive Director of the Company.

Ms. Koon Ho Yan Candy

Ms. Koon, aged 30, is an executive Director and authorized representative of the Company and a member of the Executive Committee since 2010. She graduated from the University of Durham, England in 2007 with a Bachelor of Arts degree in Economics and Politics. She also received her Bachelor of Laws degree and Legal Practice Course qualification in 2009 from the College of Law, England. Ms. Koon is also an executive director, authorized representative and a member of the executive committee of Easyknit International. Ms. Koon is the daughter of Ms. Lui Yuk Chu, the deputy chairman of the Company. She is also the niece of Mr. Lai Law Kau, a non-executive Director of the Company.

Non-executive Directors***Mr. Tse Wing Chiu Ricky***

Mr. Tse, aged 56, is a non-executive Director of the Company. He is also a non-executive director of Easyknit International. Mr. Tse obtained a Master's Degree in Business Administration from Adam Smith University of America in the United States in 1996. He has many years of experience in garment manufacturing and merchandising. Mr. Tse was appointed to the Board as an executive Director and vice chairman in 2005, and was subsequently re-designated from vice chairman to chairman and appointed as chief executive officer in 2006. In 2007, Mr. Tse was re-designated from an executive Director to a non-executive Director of the Company and resigned as chairman and chief executive officer.

Mr. Lai Law Kau

Mr. Lai, aged 54, is a non-executive Director of the Company since December 2013. He has been involved in the textiles industry over 20 years and has extensive experience in design, manufacturing, marketing and distribution of apparel. He is also a non-executive director of Easyknit International. Mr. Lai is a paternal brother-in-law of Ms. Lui, the deputy chairman of the Company, and he is also an uncle of Ms. Koon, an executive Director of the Company.

Independent Non-executive Directors***Mr. Kan Ka Hon***

Mr. Kan, aged 63, is an independent non-executive Director of the Company since 2003. He is also a member and chairman of Audit Committee, a member of Remuneration Committee and Nomination Committee. He holds a Bachelor's Degree in Science from The University of Hong Kong and is a fellow member of The Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. He has many years of experience in accounting and finance. Mr. Kan is also an independent non-executive director of Victory City International Holdings Limited (stock code: 0539).

Mr. Lau Sin Ming

Mr. Lau, aged 53, is an independent non-executive Director of the Company since 2004. He is also a member and chairman of Remuneration Committee, a member of Audit Committee and Nomination Committee. He is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants. He has many years of experience in accounting and auditing and is now practising in his own name as certified public accountant.

Mr. Foo Tak Ching

Mr. Foo, aged 80, is an independent non-executive Director of the Company since 2007. He is also a member and chairman of Nomination Committee, a member of Audit Committee and Remuneration Committee. He is currently a Partner of Messrs. Liu, Choi & Chan, a firm of solicitors and notaries in Hong Kong and has been practicing in the legal field for more than 30 years. He obtained his LLB from the University of London in the United Kingdom in 1968 and his diploma in Chinese Laws from the University of East Asia in Macau in 1987. Mr. Foo was admitted as a solicitor in England and Wales in 1972 and in Hong Kong in 1973 and admitted as a barrister and solicitor in the State of Victoria, Australia in 1982. He is a Notary Public and a China Appointed Attesting Officer.

2. CORPORATE INFORMATION

Registered office	Clarendon House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business	Block A, 7th Floor Hong Kong Spinners Building, Phase 6 481-483 Castle Peak Road Cheung Sha Wan, Kowloon Hong Kong
Company secretary	Lee Po Wing (<i>LL.B.</i>)
Authorised representatives	Kwong Jimmy Cheung Tim Flat F, 25th Floor Block 5, Hanford Garden 333 Castle Peak Road Castle Peak Bay Tuen Mun New Territories Hong Kong Koon Ho Yan Candy No. 7, Braga Circuit Kowloon Hong Kong
Legal advisers to the Company	<i>As to Hong Kong law:</i> David Norman & Co 22B Man On Commercial Building 12-13 Jubilee Street Central Hong Kong

	<i>As to Bermuda law:</i> Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place Central Hong Kong
Auditor	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> 35th Floor, One Pacific Place 88 Queensway Hong Kong
Branch share registrar and transfer office in Hong Kong	Tricor Secretaries Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Principal share registrar and transfer office in Bermuda	MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong OCBC Wing Hang Bank 161 Queen's Road Central Hong Kong

3. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following the Rights Issue are expected to be as follows:

Authorised:

<u>20,000,000,000</u>	Adjusted Shares	<u>HK\$200,000,000.00</u>
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Issued and fully-paid:

25,319,951	Adjusted Shares in issue as at the Latest Practicable Date	HK\$253,199.51
<u>506,399,020</u>	Rights Shares to be issued pursuant to the Rights Issue	<u>HK\$5,063,990.20</u>
<u>531,718,971</u>	Whole Adjusted Shares in issue immediately following the Rights Issue	<u>HK\$5,317,189.71</u>

Each of the Adjusted Shares in issue ranks pari passu with all other Adjusted Shares in all respects including as to rights to dividends, voting and return of capital. The Rights Shares to be issued pursuant to the Rights Issue, when fully paid and issued, will rank pari passu in all respects with the Adjusted Shares then in issue including as to the right to receive future dividends and distributions which may be declared, made or paid after the issue of the Rights Shares.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Adjusted Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

Save as disclosed herein, no share or loan capital of the Company or any of its subsidiaries has been put under option or agreed conditionally or unconditionally to be put under option.

Save as Easyknit International held an outstanding convertible note in the principal amount of HK\$20,000,000 which are convertible into Adjusted Shares during the five-year period commencing from 27 March 2014 at the prevailing conversion price of HK\$10.65 per Adjusted Share (subject to adjustment), the Company has no outstanding warrants, share options or other securities which are convertible into or giving rights to subscribe for Adjusted Shares.

1. FINANCIAL SUMMARY OF THE GROUP

The published audited consolidated financial statements of the Group for the years ended 31 March 2012, 2013 and 2014 are disclosed in the annual reports of the Company for the year ended 31 March 2012, 2013 and 2014. The published unaudited consolidated financial statements of the Group for the six months ended 30 September 2014 is disclosed in 2014 interim report of the Company, which can be accessed on the website of the Company (www.easyknitenterp.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 the present available financial resources, its expected internally generated funds and the present available banking facilities of the Group, the Group will have sufficient working capital for its present requirements and for the period up to 12 months from the date of the Prospectus in the absence of unforeseen circumstances.

3. INDEBTEDNESS

At the close of business on 31 January 2015, being the latest practicable date for ascertaining the information prior to the printing of the Prospectus, the Group has outstanding bank borrowings of approximately HK\$295.5 million, which was guaranteed by the Company and were secured by certain investment properties of the Group. The bank borrowings comprised bank loans of approximately HK\$295.1 million and interest payable of approximately HK\$0.4 million.

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 31 January 2015 any debt securities authorised or created by 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 2014, the Board is optimistic towards its core businesses and will seize the business opportunities to achieve long-term sustainable growth for the benefit of the Group and its shareholders as a whole.

Looking forward to the year 2014/15, despite of a few uncertainties of the global economics, such as the adjustments to the macroeconomic policies of major economies and geopolitical tensions, the low interest rate environment is likely to continue, which favours the economic recovery. As the US government keeps on measured reductions in the pace of asset purchases; the economic environment of the European countries is improving; the Chinese government implements various stimulative policies to ensure a moderate to high rate of growth while continuing its economic restructuring, the Group believes any changes to the global monetary policies in the future would be in a gradual and controlled manner. The global economy is expected to recover steadily.

For the Group's real estate business, the direction of the local property market is still determined by the local government policies. Signs of demand for luxury residential properties arose over the past few months, which is likely to continue into the second half. The Group remains confident and optimistic towards the local property market. For the Matheson Street project, the Company still continues negotiating with owners of the properties of No. 11 and 13 Matheson Street to acquire those properties. On the other hand, the acquisition of No. 14 and 16 Inverness Road has been completed on 21 November 2014 and the acquisition of No. 18 and 20 Inverness Road has been completed on 15 January 2015, which provides the Company an imminent opportunity to redevelop the site for residential purpose.

For the Group's garment business, ever rising sourcing and labor costs and transfer of customer orders placed the garment industry into a disadvantaged competitive position. Nevertheless, the Group would still use its best endeavours to maintain sales volume with the current customers and strengthen its marketing strategies to fit the prevailing industry trend. The turnover generated from the garment sourcing and export businesses segment is expected to remain stable in the second half.

The Group's strategies are devised to create shareholder value in a long term sustainable manner. The Board is optimistic towards its core business and will seize all business opportunities in order to maximise the shareholder value.

5. MATERIAL CHANGE

The Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2014, the date to which the latest published audited financial statements of the Company were made up, up to and including the Latest Practicable Date, save as mentioned below:

- (i) As disclosed in the announcement of the Company on 3 April 2014, the Company received notice from Goodco, requesting for the conversion of the convertible note in the principal amount of HK\$20.0 million.

- (ii) As disclosed in the Company's announcement on 30 April 2014, the Company, through its indirectly held wholly-owned subsidiary, acquired the ground floor of No. 15 Matheson Street, Causeway Bay, Hong Kong, comprising shops A and B with a total saleable area of approximately 675 sq. ft. for HK\$236,800,000.
- (iii) As disclosed in the joint announcement of the Company and Easyknit International dated 18 June 2014, the Company raised approximately HK\$22.5 million by way of placing of new Shares under general mandate.
- (iv) As disclosed in the joint announcement of the Company and Easyknit International dated 22 August 2014, the Company raised approximately HK\$23.1 million by way of placing of new Shares under general mandate.
- (v) As disclosed in the announcement of the Company on 29 August 2014, the Company received notice from Goodco, requesting for the conversion of the convertible note in the principal amount of HK\$60.0 million.
- (vi) As disclosed in the joint announcement of the Company and Easyknit International dated 5 September 2014, the Company (a) acquired the site located at No. 14 and 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong from Easyknit International for a total consideration of HK\$340 million; and (b) raised approximately HK\$312.0 million by way of rights issue.
- (vii) As disclosed in the joint announcement of the Company and Easyknit International dated 30 October 2014, the Company, through its direct wholly-owned subsidiary, acquired all properties situated at basement, ground floor, 1st floor and 2nd floor of No. 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong with a total saleable area of approximately 9,196 sq. ft., at an aggregate consideration and other related expenses of HK\$169,500,000.
- (viii) As disclosed in the joint announcement of the Company and Easyknit International dated 19 March 2015, the Company, through its indirect wholly-owned subsidiary, entered into 10 sets of provisional sale and purchase agreements dated 18 March 2015 with independent third parties to acquire the properties situated at No. 11 and 13 Matheson Street, Causeway Bay, Hong Kong with a total saleable area of approximately 4,480 sq.ft., at an aggregate consideration and other related expenses of HK\$183,000,000.

There has not been any interruption in the business of the Company which may have or have had a material adverse effect on the financial position of the Company since the date of the latest published audited financial statements for the year ended 31 March 2014.

**UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group which has been prepared to illustrate the effect of the Rights Issue on the net tangible assets of the Group as if the Rights Issue had been completed on 30 September 2014. As it is prepared for illustrative purposes only, and because of its nature, it may not give a true picture of the financial position of the Group upon completion of the Rights Issue.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is prepared based on the consolidated net tangible assets of the Group as at 30 September 2014 as extracted and derived from the Group's condensed consolidated financial statements for the six months ended 30 September 2014 included in the published financial report of the Group and is adjusted for the effect of the Rights Issue.

Unaudited Consolidated net tangible assets of the Group as at 30 September 2014 <i>(Note 1)</i> <i>HK\$'000</i>	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group as adjusted for the Rights Issue <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets as adjusted for the Rights Issue per Adjusted Share <i>(Note 3)</i> <i>HK\$</i>
<u>1,145,563</u>	<u>326,296</u>	<u>1,471,859</u>	<u>2.89</u>

Notes:

- The amount of consolidated net tangible assets of the Group as at 30 September 2014 is based on the net tangible assets of the Group amounting to HK\$1,145,563,000 extracted and derived from the published interim financial report of the Group for the six months ended 30 September 2014.
- The estimated net proceeds from the Rights Issue are based on 506,399,020 Rights Shares of HK\$0.01 each at HK\$0.65 per Rights Share on the basis of twenty Rights Shares for every one Adjusted Share of the Company held as at the Latest Practicable Date, after deducting the estimated underwriting commission and other related expenses of approximately HK\$2.863 million to be incurred by the Company.

3. The number of shares used for the calculation of this amount is 509,212,348, representing 2,813,328 Adjusted Shares and 506,399,020 Rights Shares. The number of 2,813,328 Adjusted Shares is calculated based on 562,665,607 existing ordinary shares in issue as at 30 September 2014 and adjusted for (i) the capital reorganisation which involved, among others, the consolidation of every ten issued and unissued existing shares into one consolidated share which became effective on 21 October 2014 (details set out in the prospectus of the Company published on 27 October 2014) and (ii) the coming into effect of the Capital Reorganisation which involves, among others, the consolidation of every twenty issued and unissued Existing Shares into one Consolidated Share and the reduction of the par value of each issued Consolidated Share from HK\$0.20 to HK\$0.01. As at 30 September 2014, the consolidated net tangible assets per ordinary share was HK\$2.036 and the consolidated net tangible assets per Adjusted Share is HK\$407.19. The amounts of unaudited consolidated net tangible assets of the Group of HK\$1,145,563,000 and unaudited pro forma adjusted consolidated net tangible assets of the Group as adjusted for the rights issue of HK\$1,471,859,000 do not take into account the proceeds from rights issue of 450,130,472 shares on 14 November 2014 and the number of 2,813,328 Adjusted Shares does not take into account the number of shares issued pursuant to the rights issue on 14 November 2014.
4. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2014.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**Deloitte.**
德勤德勤·關黃陳方會計師行
香港金鐘道88號
太古廣場一座35樓Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

TO THE DIRECTORS OF EASYKNIT ENTERPRISES HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of pro forma financial information of Easyknit Enterprises 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 adjusted consolidated net tangible assets of the Group as at 30 September 2014 and related notes as set out on pages III-1 and III-2 of the prospectus issued by the Company dated 1 April 2015 (the “Prospectus”). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages III-1 and III-2 of the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 506,399,020 rights shares of HK\$0.01 each at HK\$0.65 per rights share on the basis of twenty rights shares for every one adjusted share of the Company (the “Rights Issue”) on the Group’s net tangible assets as at 30 September 2014 as if the Rights Issue had taken place at 30 September 2014. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s condensed consolidated financial statements for the six months ended 30 September 2014, on which no review or audit in accordance with auditing and assurance standards has been carried out.

Directors’ Responsibilities for the Pro Forma Financial Information

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

Reporting Accountant’s Responsibilities

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

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

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

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2014 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 accountant’s judgment, having regard to the reporting accountant’s 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
1 April 2015

1. RESPONSIBILITY STATEMENT

The Prospectus, 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 the Prospectus 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 or the Prospectus misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interest in Shares, underlying Shares and debentures

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:

Name of Director	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Ms. Lui Yuk Chu	Beneficiary of a trust (note i)	10,370,311	1,877,934	12,248,245	48.37%
Ms. Koon Ho Yan Candy	Beneficiary of a trust (note ii)	10,370,311	1,877,934	12,248,245	48.37%

Notes:

- (i) These Shares are respectively registered in the name of and are beneficially owned by Landmark Profits and Goodco, both are wholly-owned subsidiaries of Easyknit International. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and it is wholly-owned by Ms. Lui Yuk Chu. Magical Profits Limited (“**Magical Profits**”) is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by The Winterbotham Trust Company Limited (“**Winterbotham Trust**”) as the new trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse) since 3 June 2014.

- (ii) Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and a Director, is deemed to be interested in the Shares 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' interest in Shares and underlying Shares

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 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)	Number of underlying Shares held	Total	Approximate percentage of interest
Koon Wing Yee	<i>i</i>	Interest of spouse	10,370,311	1,877,934	12,248,245	48.37%
Landmark Profits	<i>i & ii</i>	Beneficial owner	2,121,304	—	2,121,304	8.38%
Goodco	<i>i & ii</i>	Beneficial owner	8,249,007	1,877,934	10,126,941	39.99%
Easyknit International	<i>i & ii</i>	Interest of controlled corporation	10,370,311	1,877,934	12,248,245	48.37%
Magical Profits	<i>i & iii</i>	Interest of controlled corporation	10,370,311	1,877,934	12,248,245	48.37%

Name of Shareholder	Note	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	10,370,311	1,877,934	12,248,245	48.37%
Winterbotham Trust	<i>i & iv</i>	Trustee	10,370,311	1,877,934	12,248,245	48.37%
Winterbotham Holdings Limited	<i>iv</i>	Interest of controlled corporation	10,370,311	1,877,934	12,248,245	48.37%
Markson International Holdings Limited	<i>iv</i>	Interest of controlled corporation	10,370,311	1,877,934	12,248,245	48.37%
Christopher Geoffrey Douglas Hooper	<i>iv</i>	Interest of controlled corporation	10,370,311	1,877,934	12,248,245	48.37%
Ivan Geoffery Douglas Hooper	<i>iv</i>	Interest of controlled corporation	10,370,311	1,877,934	12,248,245	48.37%
Get Nice Securities Limited	<i>v</i>	Beneficial owner	298,992,800	—	298,992,800	55.35%
Get Nice Incorporated	<i>v</i>	Interest of controlled corporation	298,992,800	—	298,992,800	55.35%
Get Nice Holdings Limited	<i>v</i>	Interest of controlled corporation	298,992,800	—	298,992,800	55.35%

Notes:

- (i) In the 10,370,311 Shares, 2,121,304 Shares and 8,249,007 Shares are registered in the name of and beneficially owned by Landmark Profits and Goodco respectively, both are the wholly-owned subsidiaries of Easyknit International. Goodco is also interested in 1,877,934 underlying Shares (subject to adjustment) to be issued upon the full conversion of the convertible note. Sea Rejoice Limited is interested in approximately 21.95% of the issued share capital of Easyknit International and it is wholly-owned by Ms. Lui Yuk Chu, a Director. Magical Profits is interested in approximately 36.74% of the issued share capital of Easyknit International. Magical Profits is wholly-owned by Accumulate More Profits Limited which in turn is wholly-owned by Winterbotham Trust as the new trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her

family members other than her spouse) since 3 June 2014. Ms. Koon Ho Yan Candy, the daughter of Ms. Lui Yuk Chu and a Director, is deemed to be interested in the 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 10,370,311 Shares and 1,877,934 underlying Shares by virtue of the SFO.

- (ii) Mr. Kwong Jimmy Cheung Tim and Ms. Lui Yuk Chu, being Directors, are also directors of Landmark Profits, Goodco and Easyknit International. Ms. Koon Ho Yan Candy, being a Director, is also a Director of Easyknit International.
- (iii) Ms. Lui Yuk Chu, being a Director, is also a director of Sea Rejoice Limited and Magical Profits.
- (iv) With effect from 3 June 2014, Winterbotham Trust became the new 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.
- (v) 298,992,800 are the Rights Shares underwritten by the Underwriter in respect of the Rights Issue. Get Nice Securities Limited is wholly-owned by Get Nice Incorporated which in turn is wholly-owned by Get Nice Holdings Limited.

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 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. 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).

4. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business carried on as intended to be carried on by the Group, were entered into by the Group within two years immediately preceding the date of the Prospectus which are or may be material:

- (a) the underwriting agreement dated 5 April 2013 entered into between the Company and Kingston Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 1,235,824,500 rights shares at the subscription price of HK\$0.10 per rights share;

- (b) the placing agreement dated 11 September 2013 entered into between the Company and Kingston Securities Limited, as the placing agent, to place 329,540,000 new shares of the Company at a placing price of HK\$0.063 per share;
- (c) the underwriting agreement dated 3 October 2013 entered into between the Company and Kingston Securities Limited, as the underwriter, in relation to the underwriting and certain other arrangements in respect of a rights issue of 247,163,250 rights shares at the subscription price of HK\$0.60 per rights share;
- (d) the subscription agreement dated 16 January 2014 entered into between the Company and Goodco, the substantial shareholder of the Company and a wholly-owned subsidiary of Easyknit International as the subscriber, agreed to subscribe a convertible note issued by the Company in the aggregate principal amount of HK\$100,000,000 which may be converted into 147,058,823 shares at the initial conversion price of HK\$0.68 per share (subject to adjustment);
- (e) the placing agreement dated 6 June 2014 entered into between the Company and Kingston Securities Limited, as the placing agent, to place 65,200,000 new shares of the Company at a placing price of HK\$0.35 per share;
- (f) the placing agreement dated 11 August 2014 entered into between the Company and Get Nice Securities Limited, as the placing agent, to place 78,000,000 new shares of the Company at a placing price of HK\$0.30 per share;
- (g) the underwriting agreement dated 5 September 2014 entered into between the Company 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 at the subscription price of HK\$0.70 per right share; and
- (h) the Underwriting Agreement.

5. 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 2014 (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.

6. DIRECTORS' INTEREST 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.

7. EXPENSES

The estimated expenses in connection with the Capital Reorganisation and the Rights Issue (including but not limited to the underwriting commission, printing, registration, financial advisory, legal, professional and accounting charges) are approximately HK\$3 million and are payable by the Company.

8. 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.

9. EXPERT AND CONSENT

The following is the qualifications of the expert who has been named in the Prospectus or have given its opinion or advice which are contained in the Prospectus:

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 2014 (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 the Prospectus with the inclusion of its letter and the references to its name in the form and context in which it appears.

10. GENERAL

- (a) The company secretary of the Company is Mr. Lee Po Wing, a practising solicitor since 1994 with extensive experience in 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; and
- (d) The English text of the Prospectus prevails over the Chinese text.

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF
COMPANIES AND AVAILABLE FOR INSPECTION**

**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG
KONG**

The documents attached to the copy of the Prospectus, the PAL and the EAF and the written consents referred to in the paragraph headed “Expert and consent” in Appendix IV to the Prospectus were delivered to the Registrar of Company in Hong Kong for registration.

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 the Prospectus:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company containing audited consolidated financial statements of the Company for the three years ended 31 March 2012, 2013 and 2014;
- (c) the 2014 interim report of the Company for the six months ended 30 September 2014;
- (d) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as set out in Appendix III to the Prospectus;
- (e) the letter of consent referred to in the paragraph headed “Expert and consent” as set out in Appendix IV to the Prospectus;
- (f) the material contracts referred to the paragraph headed “Material contracts” as set out in Appendix IV to the Prospectus;
- (g) a copy of each circular issued pursuant to the requirement 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
- (h) the Prospectus Documents.