
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 21 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 Friday, 16 October 2015 to Monday, 26 October 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 Tuesday, 3 November 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 Friday, 16 October 2015 to Monday, 26 October 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 Thursday, 29 October 2015. The procedures for acceptance and payment or transfer of the Rights Shares are set out on pages 17 to 18 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. Friday, 16 October
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Tuesday, 20 October
Designated broker starts to stand in the market to provide matching services for odd lots of Adjusted Shares	9:00 a.m. on Friday, 23 October
Original counter for trading in Adjusted Shares in new board lots of 5,000 Adjusted Shares (in the form of new share certificates) re-opens	9:00 a.m. on Friday, 23 October
Parallel trading in Adjusted Shares (in the form of both existing certificates in board lots of 300 Adjusted Shares and new certificates in board lots of 5,000 Adjusted Shares) commences	9:00 a.m. on Friday, 23 October
Last day of dealing in nil-paid Rights Shares	4:00 p.m. on Monday, 26 October
Latest time for acceptance of, and payment for, the Rights Shares and the application for excess Rights Shares	4:00 p.m. on Thursday, 29 October
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 3 November
Release of the results announcement of the Rights Issue	Thursday, 5 November
Refund cheques to be despatched in relation to wholly or partially unsuccessful applications for excess Rights Shares on or before	Friday, 6 November
Certificates for fully paid Rights Shares to be despatched on or before	Friday, 6 November

EXPECTED TIMETABLE

Event	2015 (Hong Kong time)
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 9 November
Temporary counter for trading in Adjusted Shares in board lots of 300 Adjusted Shares (in the form of existing certificates) closes	4:00 p.m. on Thursday, 12 November
Parallel trading in the Adjusted Shares (represented by new share certificates and existing certificates) ends	4:00 p.m. on Thursday, 12 November
Designated broker ceases to stand in the market to provide matching service	4:00 p.m. on Thursday, 12 November
Last day for free exchange of existing share certificates for new certificates.	Wednesday, 18 November

Notes:

- (i) *Date of dealings specified in this 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 this Prospectus, unless the contents otherwise requires, the following expressions have the meanings as set out below.

“2014 Convertible Note”	the 2% per annum coupon rate convertible note issued by Easyknit Enterprises on 27 March 2014 in the aggregate principal amount of HK\$100,000,000 conferring rights to convert Shares on the basis of the prevailing conversion price of HK\$22.72 per Share, of which HK\$80,000,000 has already been converted
“2015 Convertible Note”	the 2% per annum coupon rate convertible note issued by Easyknit Enterprises on 12 June 2015 in the aggregate principal amount of HK\$86,000,000 conferring rights to convert Shares on the basis of the prevailing conversion price of HK\$1.81 per Share
“Acceptance Time” or “Latest Time for Acceptance of a payment for the Rights Issue”	4:00 p.m. on Thursday, 29 October 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 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\$20,000,000 divided into 2,000,000,000 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 Directors
“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

DEFINITIONS

“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\$0.09 on each of the then issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01; (ii) reduction of the authorised share capital of Easyknit Enterprises by reducing the par value of all Consolidated Shares in the authorised share capital of Easyknit Enterprises from HK\$0.10 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 2,000,000,000 Consolidated Shares to HK\$20,000,000 divided into 2,000,000,000 Adjusted Shares; and (iii) the credit amount arising from the reduction of the issued share capital of Easyknit Enterprises be transferred to the contributed surplus account of Easyknit Enterprises, which were steps in the Capital Reorganisation
“Capital Reorganisation”	the capital reorganisation of Easyknit Enterprises involving the Share Consolidation, the Capital Reduction and the Authorised Capital Increase, which became effective on 8 October 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
“Completion”	the completion of the S&P Agreement(s) and the Rights Issue, as the context may require
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration of the sale and purchase of the Properties Group
“Consolidated Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of Easyknit Enterprises upon the Share Consolidation becoming effective
“Director(s)”	director(s) of Easyknit Enterprises
“DTZ”	DTZ Debeham Tie Leung (SEA) Pte Ltd

DEFINITIONS

“EAF(s)”	the excess application form(s) to be 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
“GT Property”	an industrial unit situate at 6/F., No. 650-652 Castle Peak Road, & 18A Wing Hong Street, Cheung Sha Wan with a floor area of approximately 3,600 sq.ft.
“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
“Independent Board Committee”	the independent board committee of the Board, comprising of Mr. Kan Ka Hon, Mr. Lau Sin Ming and Mr. Foo Tak Ching, being all the independent non-executive Directors, established for the purpose of, among other things, advising the Independent Shareholders in respect of the S&P Agreement(s), the proposed Rights Issue and transactions contemplated thereunder
“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 sale and purchase of the Properties Group and the proposed Rights Issue; and (iii) those who are required to abstain from voting at the SGM to be convened to approve the S&P Agreement(s), the proposed Rights Issue and matters relating thereunder
“Inverness Road Project”	the residential project of Nos. 14, 16, 18 and 20 Inverness Road, Kowloon, Hong Kong with a total registered site area of 17,637 sq.ft.

DEFINITIONS

“Janson Property”	an industrial unit situate at 2/F., Nos. 790, 792 & 794 Cheung Sha Wan Road, Cheung Sha Wan, with a floor area of approximately 3,600 square feet
“Knight Frank”	Knight Frank Petty Limited
“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”	5 August 2015, being a Business Day prior to the entering into the Underwriting Agreement
“Latest Practicable Date”	9 October 2015, being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information for inclusion in this Prospectus
“Latest Time for Termination of the Underwriting Agreement”	4:00 p.m. on Tuesday, 3 November 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 Remaining Unit”	ground floor of No. 11 Matheson Street, Causeway Bay, Hong Kong
“Matheson Street Properties”	10 property units situated at 1st floor, 2nd floor, 3rd floor, 4th floor, 5th floor and roof of Nos. 11 and 13 Matheson Street, Causeway Bay, Hong Kong
“Matheson Street Project”	the redevelopment project of Nos. 11, 13 and 15 of 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 Easyknit Enterprises 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
“Properties Group”	a total of 11 units comprises Singapore Properties, ST Properties, GT Property and Janson Property
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus in relation to the Rights Issue
“Prospectus Documents	the Prospectus, the PAL(s) and the EAF(s)
“Purchaser(s)”	the purchaser(s) of the S & P Agreement(s): (a) Easyknit Enterprises (b) Power Bright Investments Limited (c) New Pursuit Limited (d) Fresh Smart Investments Limited
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear on the register of members of Easyknit Enterprises at the close of business on the Record Date
“Record Date”	4:00 p.m. on Tuesday, 13 October 2015 or such other date as the Underwriter may agree in writing with Easyknit Enterprises as the date by reference to which entitlements to the Rights Issue are expected to be determined
“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 and summarised herein
“Rights Share(s)”	1,063,437,940 Adjusted Shares proposed to be offered to the Qualifying Shareholders for subscription on the basis of 20 Rights Shares for every one Adjusted Share held at the Record Date pursuant to the Rights Issue
“Sale Loan”	an aggregate sale loan of the Target Companies due to Easyknit International, the ultimate holding company of the ultimate companies

DEFINITIONS

“S&P Agreement(s)”	4 sets of sale and purchase agreements dated 6 August 2015 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Sale Share(s) of the Target Company(ies)
“Sale Share(s)”	entire issued shares of each Target Company
“Settlement Date”	Tuesday, 3 November 2015, being the third Business Day following the Acceptance Date or such later date as Easyknit Enterprises and the Underwriter may agree
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of Easyknit Enterprises convened and held on 7 October 2015 to consider and approve the S&P Agreements, the Capital Reorganisation and the Rights Issue
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share, which was a step in the Capital Reorganisation
“Share(s)” or “Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the capital of Easyknit Enterprises before the Capital Organisation becoming effective, unless otherwise stated
“Shareholder(s)”	holder(s) of Share(s), Consolidated Shares or Adjusted Share(s), as the case may be
“Singapore Properties”	the 3 residential units in Singapore with a total floor areas of 268 square metres, namely: (a) #04-03 Ardmore Park, Singapore 259959 (b) #06-04 Ardmore Park, Singapore 259959 (c) #18-02 Ardmore Park, Singapore 259959
“sq.ft.”	square foot/feet
“ST Properties”	6 properties in Hong Kong of which 3 for residential and 3 for industrial: (a) House 9, Villa Castell, No. 20 Yau King Lane, Tai Po with a floor area of approximately 2,358 sq.ft.

DEFINITIONS

- (b) Unit 1 & 2, 7/F., Block D and Car Parking Space No. 46 on Lower G/F., Shatin Heights, No. 8003 Tai Po Road, Shatin with a floor area of 2,408 sq.ft.
- (c) 3rd floor, No. 161 Wong Nai Chung Road with a floor area of 780 sq.ft.
- (d) Workshop Space B, 1/F., Fung Wah Factory Building, Nos 646, 648 , 648A Castle Peak Road with a floor area of 1,920 sq.ft.
- (e) roof floor, No. 20 Wing Hong Street with a floor area of 3,402 sq.ft.
- (f) 5th floor, No. 20 Wing Hong Street with a floor area of 2,910 sq.ft.

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.48 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
“Supplemental Agreement”	a supplemental agreement entered into between the Vendor and the Purchaser(s) on 28 August 2015 supplemented the S&P Agreement(s) by amending the Purchaser(s) agreed to purchase also the Sale Loan without increasing the Consideration
“Target Company(ies)”	the wholly-owned subsidiaries of Easyknit International: <ul style="list-style-type: none">(a) Grow Well Profits Limited(b) Supertop Investment Limited(c) Golden Top Properties Limited(d) Janson Properties Limited(e) Goldchamp International Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“Undertakings”	the conditional irrevocable undertakings dated 6 August 2015 from Landmark Profits and Goodco to Easyknit Enterprises and the Underwriter as described in the section headed “Undertakings” in this Prospectus

DEFINITIONS

“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
“Underwriting Agreement”	the underwriting agreement, dated 6 August 2015, entered into between Easyknit Enterprises and the Underwriter in relation to the underwriting and certain arrangements in respect of the Rights Issue
“Underwritten Shares”	627,884,900 Rights Shares, being all the Rights Shares other than the Rights Shares to be provisionally allotted to and accepted by Landmark Profits and Goodco pursuant to the Undertakings under the Underwriting Agreement
“Vendor”	Easyknit Properties Holdings Limited, a wholly-owned subsidiary of Easyknit International, a company incorporated in the BVI with limited liability
“%”	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

14 October 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 14 September 2015 relating to the Capital Reorganisation, the change in board lot size and the Rights Issue.

As at the SGM held on Wednesday, 7 October 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 Thursday, 8 October 2015.

* for identification 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 at the Record Date	:	53,171,897 Adjusted Shares
Number of Rights Shares	:	1,063,437,940 Adjusted Shares
Aggregate nominal value of the Rights Shares	:	HK\$106,343.79
Subscription Price	:	HK\$0.48 per Rights Shares
Enlarged issued share capital of Easyknit Enterprises immediately upon completion of the Rights Issue	:	1,116,609,837 Adjusted Shares
Fund raised before expenses	:	approximately HK\$510 million
Net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares	:	approximately HK\$0.47 per Rights Share
Underwriter	:	Get Nice Securities Limited

As at the Latest Practicable Date, Easyknit International held a 2014 Convertible Note with an outstanding principal amount of HK\$20,000,000 which are convertible into Shares during the five-year period commencing from 27 March 2014 at the prevailing conversion price of HK\$22.72 per Share.

With the exception of the above and 2015 Convertible Note, as at the Latest Practicable Date, Easyknit Enterprises 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 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 Easyknit Enterprises 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 to be allotted in respect of those Adjusted Shares will be taken up in full. In addition, Landmark Profits and Goodco will not apply for any excess Rights Shares.

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 application for all or any part of a Qualifying Shareholder’s 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\$0.48 per Rights Share, payable in full when a Qualifying Shareholder accepts the 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 88% to the adjusted closing price of HK\$4.00 per Adjusted Share, based on the closing price of HK\$0.40 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation;
- (ii) discount of approximately 88.12% to the adjusted average closing price of HK\$4.04 per Adjusted Share, based on the average closing price of HK\$0.404 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 26.15% to the theoretical ex-rights price of HK\$0.65 per Adjusted Share after the Rights Issue, based on the closing price of HK\$0.40 per Existing Share as quoted on the Stock Exchange on the Last Trading Day and adjusted to HK\$4.00 per share for the effect of the Capital Reorganisation;
- (iv) a discount of approximately 83.67% to net asset value of approximately HK\$2.94 per Share based on the audited consolidated net asset value of the Group attributable to the Shareholders of HK\$1,562,645,000 as at 31 March 2015 and 531,718,971 Shares in issue on the Last Trading Day;

LETTER FROM THE BOARD

- (v) a discount of approximately 35.14% to the closing price of HK\$0.74 per Adjusted Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a discount of approximately 2.51% to the theoretical ex-rights price of HK\$0.492 per Adjusted Share, based on the closing price of HK\$0.74 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 Easyknit Enterprises 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 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 Easyknit Enterprises and taking part in the future growth of Easyknit Enterprises. Given the abovementioned factors and as indicated to Easyknit Enterprises 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 Easyknit Enterprises 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 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 Rights Shares. Dealings in the Rights Shares will be subject to payment of stamp duty in Hong Kong.

Fractional entitlements to the Rights Issues

Easyknit Enterprises 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 Easyknit Enterprises. Any unsold fractions of Rights Shares will be available for excess application.

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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 Thursday, 29 October 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.

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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 Thursday, 29 October 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 Tuesday, 20 October 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, 6 November 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 Thursday, 29 October 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 Thursday, 29 October 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, 6 November 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 5,000, 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 on Friday, 6 November 2015 to those who have accepted, or (where applicable) applied for, and paid for the Rights Shares, by ordinary post at their own risk. 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 Friday, 6 November 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, 9 November 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 remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than five trading days; and
- (v) delivery by Easyknit Enterprises to the Underwriter of irrevocable undertakings by Landmark Profits and Goodco to accept their respective entitlement 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), (iii) and (iv) above are not fulfilled and/or waived (other than condition (i) which cannot be waived in whole or in part by the Underwriter) on or before the despatch of the Prospectus Documents or in the event that the conditions (v), (vi) and (vii) above have not been satisfied/or waived (other than conditions (v) and (vi) 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 Easyknit Enterprises 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 Easyknit Enterprises) 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 21,777,652 Shares, representing approximately 40.96% of the total issued share capital of Easyknit Enterprises. As at the Latest Practicable Date, Easyknit International also held the 2014 Convertible Note with an outstanding principal amount of HK\$20,000,000 which are convertible into Shares during the five-year period commencing from 27 March 2014 at the prevailing conversion price of HK\$22.72 per Share.

Each of Landmark Profits and Goodco has irrevocably undertaken to Easyknit Enterprises and the Underwriter that the Shares beneficially owned by them will not be disposed of or transferred from the date of the undertaking, being the date of the Underwriting Agreement, to the Record Date and that the Rights Shares to be allotted in respect of those Adjusted Shares will be taken up in full, representing a total of 435,553,040 Rights Shares. Landmark Profits and Goodco will not apply for any excess Rights Shares. The total subscription moneys of approximately HK\$210,000,000 payable by Landmark Profits and Goodco to Easyknit Enterprises pursuant to the Undertakings will be set off against the remaining balance of HK\$240 million owed by Easyknit Enterprises to Easyknit International pursuant to the S&P Agreements. Landmark Profits, Goodco, Easyknit International and Easyknit Enterprises have agreed to the set-off arrangements.

Underwriting Agreement

Date	:	6 August 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 627,884,900 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

The Company has only approached the Underwriter because he is an experienced underwriter and is active in the Hong Kong stock market. The Company noted that at that time the stock market is so volatile and by previous experience, the underwriting terms will be more harsh in volatile stock market than in the stable time. The Company proposed the subscription price / ratio to the Underwriter; they reviewed the aforesaid terms and after their internal discussion, they agreed without counter-offer on the proposed subscription price / ratio of the Rights Issue.

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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 Easyknit Enterprises 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 Easyknit Enterprises 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 Easyknit Enterprises and the Shareholders are concerned.

Based on the above information disclosed herein, the Directors confirmed that the Board has made a balanced view in assessing the volatility of the stock market and the reasonableness of the underwriting terms for the Rights Issue so as to obtain the best available terms for the Rights Issue and its Shareholders.

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 2014 Convertible Note nor 2015 Convertible Note was exercised. Hence Table 1 was made under the scenario of the conversion rights attaching to the outstanding 2014 Convertible Note and 2015 Convertible Note are not exercised; whilst Table 2 was made under the scenario of the full exercise of the outstanding 2014 Convertible Note and 2015 Convertible Note.

Immediately following the Right Issue, Easyknit Enterprises continues to be an associated company 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 (1) 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 Easyknit Enterprises, any of the Directors or chief executive or substantial shareholders of Easyknit Enterprises or their respective associates; and (2) the public float requirements under Rule 8.08 of the Listing Rules be fulfilled by Easyknit Enterprises upon Completion of the Rights Issue.

Easyknit Enterprises 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,

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being the 627,884,900 Rights Shares together with its obligation, set out above. The Underwriter confirms that no subscribers will become a substantial Shareholder of Easyknit Enterprises immediately upon Completion of the Rights Issue.

POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE NOTES

As at the Latest Practicable Date, the outstanding aggregate principal amount of the 2014 Convertible Note amounted to HK\$20,000,000 which are convertible to Shares during the five-year period commencing from 27 March 2014 at the prevailing conversion price of HK\$22.72 in force at the time of conversion (if any); and for the 2015 Convertible Note, there was no exercise of conversion since the date of issue (i.e. 12 June 2015). As a result of the proposed Rights Issue, adjustments may need to be made to the exercise price and other rights (if any) attached to the conversion rights of each convertible note, if necessary, Easyknit Enterprises will make further announcement accordingly.

REASONS FOR AND BENEFITS OF THE S&P AGREEMENTS AND THE PROPOSED RIGHTS ISSUE

The S&P Agreement(s) and Supplemental Agreement

The Group is principally engaged in property investment, property development, garment sourcing and export businesses, investment in securities and loan financing. The Group has been continuously seeking opportunities to acquire properties in good location and has also been exploring, other investment opportunities. Given the location and amount of the rental income of the Properties Group which is in line with the Group's overall business strategy, the Directors are of the view that the terms of the S&P Agreements and Supplemental Agreement are fair and reasonable, on normal commercial terms and in the interests of the Shareholders as a whole.

Rights Issue

(1) Subscription Price

The price and other terms were determined after a consideration by the Directors of various matters such as market conditions and the need to attract Shareholders, and after arm's length commercial negotiations with the Underwriter.

(2) Dilution Impact

The dilution impact of the Rights Issue to the existing Shareholders if they elect not to participate in the Rights Issue is 95.24%, that is to say that if they elect not to participate in the rights issue the percentage of the issued Shares represented by their respective holdings will fall by 95.24%. The detailed accumulative dilution effect of fund raising activities in the past 24 months for Shareholders who did not participate in those activities is in Table 3 to this Prospectus.

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(3) *Other alternatives of fund raising activities*

Easyknit Enterprises considered other fund raising activities as alternatives to the Rights Issue, including a sale of assets but there are no assets held by the Group that the Board considers it appropriate to liquidate for the purpose. A placing was also considered, but placings by their nature dilute the interests of Shareholders and the Board does not consider that to be an attractive alternative at present. Debt financing was a thirds alternative considered by the Directors, but that will incur interest costs for Easyknit Enterprises and increase its gearing and it is not favourable to Easyknit Enterprises and its shareholders.

No negotiations were held with prospective counterparties to any of these possible fund raising alternatives because they were unattractive, for reasons mentioned above. Specifically, at the Latest Practicable Date, Easyknit Enterprises does not have facilities in place to renew or replace the loan to be repaid and has not negotiated with the lender for renewal of the bank loan or approached other banks for a new loan because Easyknit Enterprises at present considers equity financing to be preferable to debt financing.

As at the Latest Practicable Date, the Group has unaudited cash and cash equivalents of approximately HK\$327 million, of which HK\$62 million is tied up in the PRC as investment capital which is not practicable to be transferred back to Hong Kong. Of the HK\$265 million balance, approximately HK\$259 million has been earmarked for the redevelopment of the Inverness Road Project, leaving funds of approximately HK\$6 million.

The Board assessed the above current cash position, the Company's gearing ratio of 0.15, market borrowing rates and market interest rates and then determined that repayment of the bank loan with funds raised by the Rights Issue is in the interest of Easyknit Enterprises.

(4) *Financial Position of Easyknit Enterprises*

Upon the repayment of the bank loan of HK\$139 million, Easyknit Enterprises will still have outstanding a mortgage loan of HK\$153 million.

After application of the net proceeds to the acquisition of the Properties Group and repayment of the bank loan, approximately HK\$126 million of the net proceeds will remain unused.

Property investment in particular is capital-intensive and although at the present time, Easyknit Enterprises has sufficient funds to attend the 1st and 2nd phase of the redevelopment of Inverness Road Project (ie. till mid-2016), The Board considers it is appropriate to have material cash on hand to finance investment projects as and when opportunities arise.

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At the Latest Practicable Date, the Company has not identified any investment project or is currently in negotiations for any.

Over the past year, Easyknit Enterprises conducted various equity fund-raising exercises for acquisitions and related redevelopment in respect of the Matheson Street Project. Details of these fund-raising exercises are set out in the section headed “Fund-raising activities of Easyknit Enterprises for the past 24 months” in this Prospectus. There has been no change in the proposed use of the unutilised proceeds from those fund raising activities previously ear-marked by Easyknit Enterprises for the Matheson Street Project. Easyknit Enterprises is therefore raising new funds to complete the purchase of the Properties Group.

As at the Latest Practicable Date, the Board considers that Easyknit Enterprises has sufficient funds to maintain its daily operations for the next 12 months (but this does not include new investment opportunities that may be occurred, which may need to be financed by new equity financing and/or bank or other financing if and when they arise).

(5) *Benefits of the Acquisition*

The Board thinks the acquisition of the Properties Group will benefit Easyknit Enterprises and its shareholders because a typical property development project takes at least 3 years to complete and the acquisition cost and development cost for a similar asset likely to be much more than HK\$240 million.

In view of the fact that by paying HK\$240 million, Easyknit Enterprises will acquire 11 units and can generate immediate revenue, the acquisition will facilitate Easyknit Enterprises acquire additional stable income. Furthermore, 2 units have the potential to be redeveloped and this will be a “value-added” to Easyknit Enterprises. If a buyer acquires it for redevelopment purpose then a premium will be reflected. It is in the interest of Easyknit Enterprises and its shareholders.

(6) *Proposed use of proceeds of Rights Issue*

The Rights Issue is proposed with a view to provide further funding for the Group’s business development and expansion and assisting with the Group’s repayment of financial indebtedness. The net proceeds to be raised from the Rights Issue, being approximately HK\$505 million are intended to be applied as follows:

- (a) approximately HK\$240 million will be utilised to purchase the Sale Share(s) and the Sale Loan of the Properties Group for its property investment business;

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- (b) approximately HK\$139 million will be utilised for the repayment of bank borrowings and interests of the Group;

— The Board is of the view that utilising the net proceeds from the Rights Issue to settle the outstanding bank loans of the Group is beneficial to the Group and the Shareholders as a whole as it reduces the Group's debt level and finance costs, enabling the Group to further deleverage and strengthen its equity base.

This is particularly important in light of the nature of the Group's primary business as a property developer. As the process of obtaining equity financing takes time, the Board is of the view that now is the appropriate moment for the Group to tap into the capital market to reduce its debt level and enhance its capital base, thereby placing the Group in a stronger financial position to participate in or tender for any attractive property development projects as and when such opportunities arise, which will often require sufficient cash and financing resources to be deployed at short notice.

- (c) approximately HK\$70 million will be utilised for the investment of listed securities segment and loan financing business segment;

— with reference to the Easyknit Enterprises' transaction in May 2015 for providing a loan of HK\$70 million to an independent third party which was secured by a share charge and a guarantee, the Board believes it could potentially diversify the Group's asset base and broaden its business scope to enhance the Group's long term growth prospects. The Group continues to explore potential investment opportunities to deliver benefits to the Shareholders by strengthening these 2 business segments.

- (d) approximately HK\$30 million will be utilised for being deposit to acquire the Matheson Remaining Unit or potential investments by the Group;

— the Board is of the view that to earmark this amount as part of the deposit for the acquisition of the Matheson Remaining Unit as no contracts have been exchanged for acquisition. Recently, the retail property prices in Causeway Bay have gone down, Easyknit Enterprises made an offer of acquisition to that property owner and started the preliminary stage of negotiation with the owner. It is difficult for the Group to predict with certainty the precise time horizon for when the Matheson Remaining Unit and other property investment opportunity may materialise into a binding commitment or transaction (if at all) which would in the Board's view, be in the interests of Easyknit Enterprises and Shareholders as a whole, since the Group principally engages in the business of property development and property investment, it is prudent and appropriate for the Group to maintain a sufficient bank and cash balance as well as standby financing resources

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from time to time, which include the funds to be raised from the Rights Issue, in order to grasp the opportunities to acquire favourable investment properties.

The Board confirmed that the Company may consider using the equity fund raising or bank financing to settle the remaining consideration to acquire the Matheson Remaining Unit but it all depends on the market conditions. As at the Latest Practicable Date, the Company has not entered into any binding agreement with the owner of the Matheson Remaining Unit.

- (e) the remaining balance of approximately HK\$26 million will be utilised for general working capital of the Group.

Announcement(s) will be made by Easyknit Enterprises in accordance with the Listing Rules as and when necessary when there is a material change in the use of net proceeds from the Rights Issue.

The subscription moneys of approximately HK\$210,000,000 which will be payable by Landmark Profits and Goodco to Easyknit Enterprises pursuant to the Undertakings will be set off against the remaining balance of HK\$240 million owed by Easyknit Enterprises to Easyknit International pursuant to the S&P Agreement(s); and net-off figures of approximately HK\$31 million will be paid in cash to Easyknit International. Landmark Profits, Goodco, Easyknit International and Easyknit Enterprises have agreed to the set-off arrangements.

The Board believes that the above is an appropriate allocation of funds.

(7) *Directors' Opinion*

The Directors confirmed that at the Latest Practicable Date, except for the potential investment for the acquisition of Matheson Remaining Unit, Easyknit Enterprises has no other plan to acquire any investment property(ies) nor entering into any binding agreement in respect of any potential investments or property development projects.

The Directors are of the opinion that, after taking into consideration into account the acquisition of Properties Group and the present available financial resources, its expected internally generated funds and present available bank facilities of the Group, the Group will have sufficient working capital for the present requirements and for the period up to 12 months from the Latest Practicable Date in the absence of unforeseen circumstances.

The Board considers that the Rights Issue will allow Easyknit Enterprises to raise funds without increasing its gearing and give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in Easyknit Enterprises. Hence, the Board considers that fund raising of this scale through the Rights Issue is in the best interests of Easyknit Enterprises and the Shareholders as a whole.

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Having considered the above factors, the Directors are of the view that the S&P Agreement(s) and the proposed Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interests of Easyknit Enterprises and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF EASYKNIT ENTERPRISES FOR THE PAST 24 MONTHS

The fund raising activities of Easyknit Enterprises during the past 24 months immediately before the Latest Practicable Date are set out in Table 4 to this Prospectus.

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.

LETTER FROM THE BOARD

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 Friday, 16 October 2015 to Monday, 26 October 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 Friday, 16 October 2015 to Monday, 26 October 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.

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

**TABLE 1: SHAREHOLDING STRUCTURE — NO EXERCISE OF THE OUTSTANDING
2014 CONVERTIBLE NOTE AND 2015 CONVERTIBLE NOTE**

	As at the Latest Practicable Date		Immediately after the Completion (all Rights Shares are subscribed by the Qualifying Shareholders		Immediately after the Completion (only Landmark Profits and Goodco have subscribed the Rights Shares	
	<i>No. of Adjusted Shares</i>	<i>%</i>	<i>No. of Adjusted Shares</i>	<i>%</i>	<i>No. of Adjusted Shares</i>	<i>%</i>
Landmark Profits	4,454,738	8.38	93,549,498	8.38	93,549,498	8.38
Goodco	17,322,914	32.58	363,781,194	32.58	363,781,194	32.58
Sub-total	21,777,652	40.96	457,330,692	40.96	457,330,692	40.96
Public	—	—	—	—	627,884,900	56.23
– Underwriter	—	—	—	—	31,394,245	2.81
– Other public shareholders	31,394,245*	59.04	659,279,145	59.04	—	—
Total	53,171,897	100.00	1,116,609,837	100.00	1,116,609,837	100.00

* including fractions of 1 Rights Shares

TABLE 2: SHAREHOLDING STRUCTURE — FULL EXERCISE OF THE OUTSTANDING 2014 CONVERTIBLE NOTE AND 2015 CONVERTIBLE NOTE

	As at the Latest Practicable Date		Immediately after the Completion (all Rights Shares are subscribed by the Qualifying Shareholders)		Immediately after the Completion (only Landmark Profits and Goodco have subscribed the Rights Shares)	
	<i>No. of Adjusted Shares</i>	<i>%</i>	<i>No. of Adjusted Shares</i>	<i>%</i>	<i>No. of Adjusted Shares</i>	<i>%</i>
Landmark Profits	4,454,738	4.39	93,549,498	8.03	93,549,498	8.03
Goodco						
– EE Shares	17,322,914	17.06	363,781,194	31.22	363,781,194	31.22
– Ordinary shares converted from 2014 Convertible Note	880,281	0.87	880,281	0.08	880,281	0.08
Sub-total	22,657,933	22.31	458,210,973	39.33	458,210,973	39.33
Public						
– Holder of 2015 Convertible Note	47,513,812	46.78	47,513,812	4.08	47,513,812	4.08
– Underwriter	—	—	—	—	627,884,900	53.90
– Other public shareholders	31,394,245*	30.91	659,279,145	56.59	31,394,245	2.69
Total	101,565,990	100.00	1,165,003,930	100.00	1,165,003,930	100.00

* including fractions of 1 Rights Shares

TABLE 3:

ACCUMULATIVE DILUTION EFFECT OF THE FUND RAISING ACTIVITIES

The table below sets out the accumulative dilution effects of the fund raising activities taking into account of the fund raising activities of Easyknit Enterprises in the past 24 months, including the proposed Share Consolidation and the proposed Rights Issue.

Accumulative dilution effect on the completion of fund raising activities of the Company

	No. of shares before P1	%	No. of shares upon completion of P1	%	No. of shares upon consolidation 11/2013	%	No. of shares upon completion of RI	%	No. of shares upon conversion shares CI	%	No. of shares upon completion of P2	%	No. of shares upon completion of P3	%
Landmark Profits														
rights shares R1	314,267,376	19.072	314,267,376	15.89	7,856,684	15.89	7,856,684	2.65	7,856,684	2.41	7,856,684	2.01	7,856,684	1.67
rights shares R2							39,283,420	13.24	39,283,420	12.05	39,283,420	10.04	39,283,420	8.37
rights shares R3														
current														
Goodco														
rights shares R1	402,943,824	24.454	402,943,824	20.38	10,073,595	20.38	10,073,595	3.40	10,073,595	3.09	10,073,595	2.57	10,073,595	2.15
CB shares C1							50,367,975	16.98	50,367,975	15.45	50,367,975	12.87	50,367,975	10.73
rights shares R2							29,411,764	9.02	29,411,764	9.02	29,411,764	7.52	29,411,764	6.27
rights shares R3														
current														
Public														
placing P1	930,554,800	56.474	930,554,800	47.06	23,263,871	47.06	23,263,871	7.84	23,263,871	7.14	23,263,871	5.95	23,263,871	4.96
rights shares R1			329,540,000	16.67	8,238,500	16.67	8,238,500	2.78	8,238,500	2.53	8,238,500	2.11	8,238,500	1.76
placing P2							157,511,855	53.11	157,511,855	48.32	157,511,855	40.26	157,511,855	33.57
rights shares R2											65,200,000	16.67	65,200,000	13.90
rights shares R3													78,000,000	16.62
current														
Total	1,647,766,000	100.000	1,977,306,000	100.00	49,432,650	100.00	296,595,900	100.00	326,007,664	100.00	391,207,664	100.00	469,207,664	100.00
Remaining value of the existing shares after accumulative dilution effect				83.33				83.33						8.78
								13.89						10.53
														12.64

TABLE 3:
(continued)

**ACCUMULATIVE DILUTION EFFECT OF
THE FUND RAISING ACTIVITIES**

	No. of shares upon issuing conversion shares C1	%	No. of shares upon share consolidation 10/2014	%	No. of shares upon completion of R2	%	No. of shares upon share consolidation 03/2015	%	No. of shares upon completion of R3	%	No. of shares upon share consolidation current	%	No. of shares upon rights issue current	%
Landmark Profits														
rights shares	7,856,684	1.40	785,668	0.16	785,668	0.16	39,283	0.01	39,283	0.01	3,928	0.01	3,928	0.00
rights shares	39,283,420	6.98	3,928,342	0.78	3,928,342	0.78	196,417	0.04	196,417	0.04	19,642	0.04	19,642	0.00
rights shares			37,712,080	7.45	37,712,080	7.45	1,885,604	0.35	1,885,604	0.35	188,560	0.35	188,560	0.02
rights shares					42,426,080	7.98	42,426,080	7.98	42,426,080	7.98	4,242,608	7.98	4,242,608	0.38
current							89,094,760				89,094,760			7.98
Goodco														
rights shares	10,073,595	1.79	1,007,360	0.20	1,007,360	0.20	50,368	0.01	50,368	0.01	5,036	0.01	5,036	0.00
CB shares	50,367,975	8.95	5,036,797	0.99	5,036,797	0.99	251,840	0.05	251,840	0.05	25,184	0.05	25,184	0.00
rights shares	122,869,707	21.84	12,286,970	2.43	12,286,970	2.43	614,348	0.12	614,348	0.12	61,435	0.12	61,435	0.01
rights shares			146,649,016	28.96	146,649,016	28.96	7,332,451	1.38	7,332,451	1.38	733,245	1.38	733,245	0.07
rights shares					164,980,140	31.03	164,980,140	31.03	164,980,140	31.03	16,498,014	31.03	16,498,014	1.48
current							346,458,280				346,458,280			31.03
Public														
placing	23,263,871	4.13	2,326,387	0.46	2,326,387	0.46	116,319	0.02	116,319	0.02	11,632	0.02	11,632	0.00
rights shares	8,238,500	1.46	823,850	0.16	823,850	0.16	41,193	0.01	41,193	0.01	4,119	0.01	4,119	0.00
placing	157,511,855	27.99	15,751,185	3.11	15,751,185	3.11	787,559	0.15	787,559	0.15	78,756	0.15	78,756	0.01
rights shares	65,200,000	11.59	6,520,000	1.29	6,520,000	1.29	326,000	0.06	326,000	0.06	32,600	0.06	32,600	0.00
placing	78,000,000	13.86	7,800,000	1.54	7,800,000	1.54	390,000	0.07	390,000	0.07	39,000	0.07	39,000	0.00
rights shares			265,771,376	52.48	265,771,376	52.48	13,288,569	2.50	13,288,569	2.50	1,328,857	2.50	1,328,857	0.12
rights shares					298,992,800	56.23	298,992,800	56.23	298,992,800	56.23	29,899,281	56.23	29,899,281	2.68
current							627,884,900				627,884,900			56.23
Total	562,665,607	100.00	56,266,559	100.00	506,399,031	100.00	25,319,951	100.00	531,718,971	100.00	53,171,897	100.00	1,116,609,837	100.00
Remaining value of the existing shares after accumulative dilution effect		7.32		0.81		0.81		0.04		0.04		0.04		0.00

Note: For the description of the fund raising activities of C1, P1, P2, P3, R1, R2 and R3, please refer to the Table 4 of this Prospectus.

TABLE 4:

**FUND RAISING ACTIVITIES
FOR THE PAST 24 MONTHS**

The following table sets out the fund raising activities of the Company during the past 24 months immediately before the date of this Prospectus.

Date	Event	Net Proceeds (HK\$)	Intended use of net proceeds	Actual use of net proceeds (HK\$)
P1 11 September 2013	Placing of 329,553,200 new Shares under general mandate	20 million	For general working capital	Fully applied for the settlement of trade payable
R1 3 October 2013	Rights issue of 247,163,250 new Shares	146 million	For general working capital	Fully applied for: (1) 102 million for the acquisition of the Matheson Street Project (2) 44 million for the settlement of trade payable
C1 16 January 2014	Issue of 2014 Convertible Note with an aggregate principal amount of HK\$100 million	98.7 million	For the acquisition and redevelopment of the Matheson Street Project	Fully applied for the acquisition of the Matheson Street Project
P2 6 June 2014	Placing of 65,200,000 new Shares under general mandate	22.5 million	For general working capital	Fully applied for the settlement of trade payable

TABLE 4:
(continued)

**FUND RAISING ACTIVITIES
FOR THE PAST 24 MONTHS**

Date	Event	Net Proceeds (HK\$)	Intended use of net proceeds	Actual use of net proceeds (HK\$)
P3 11 August 2014	Placing of 78,000,000 new Shares under general Mandate	23.1 million	For general working capital	Fully applied for the settlement of trade payable
R2 5 September 2014	Rights issue of 450,132,472 new Shares	312.0 million	For the acquisition of the Inverness Road Property	Fully applied for the acquisition of the Inverness Road Properties
R3 2 March 2015	Rights issue of 506,399,020 new Shares	326.0 million	(a) HK\$260 million for redevelopment cost of the Inverness Road Project (b) HK\$66 million for general corporate purposes	(a) Applied 1.2 million as the development cost of Inverness Road Project Balance of 258.8 million to be applied as intended (b) Fully applied for loan financing business
C2 29 May 2015	Issue of 2015 Convertible Note with an aggregate principal amount of HK\$86 million	85.9 million	For general working capital	Fully applied for (a) 25.7 million acquired the Matheson Street Properties (b) 55.9 million for investment of securities business (c) 4.3 million for the settlement of trade payable

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 57, 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 64, 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 81, 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:

53,171,897	Adjusted Shares in issue as at the Latest Practicable Date	HK\$531,715.97
<u>1,063,437,940</u>	Rights Shares to be issued pursuant to the Rights Issue	<u>HK\$10,634,379.40</u>
<u>1,116,609,837</u>	Whole Adjusted Shares in issue immediately following the Rights Issue	<u>HK\$11,166,098.37</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 2014 Convertible Note and 2015 Convertible Note, 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 2013, 2014 and 2015 are disclosed in the annual reports of the Company for the year ended 31 March 2013, 2014 and 2015 which can be accessed on the website of the Company (www.easyknitenterp.com) and the website of the Stock Exchange (www.hkexnews.hk).

Financial and trading prospects of the Group**Overall**

For the year ended 31 March 2015 as compared to the year ended 31 March 2014

For the year ended 31 March 2015, the Group recorded a turnover of HK\$192,489,000, representing an increase of HK\$35,549,000 or 22.7% from HK\$156,940,000 for the year 2014.

Profit attributable to owners of the Company for the year ended 31 March 2015 amounted to HK\$31,086,000 (2014: loss of HK\$2,541,000). The gain was mainly attributable to the gain on fair value changes of investments held for trading of approximately HK\$40 million.

The basic earnings per share for the year ended 31 March 2015 was HK\$2.757 (2014: restated basic loss per share of HK\$2.300).

The Board does not recommend the payment of final dividend for the year ended 31 March 2015 (2014: nil).

During the year, the Group was principally engaged in garment sourcing and export businesses, property investment, property development, investment in securities and loan financing.

Geographical Analysis of Turnover

During the year, the turnover from garment sourcing and export businesses was mainly derived from customers in the United States (“US”). Rental income from the investment properties were derived from properties located in Hong Kong and the People’s Republic of China (“PRC”).

(i) Garment Sourcing and Export Businesses

For the year ended 31 March 2015, this segment recorded a turnover of HK\$172,082,000 (2014: HK\$142,138,000) representing 21.1% increase comparing with year 2014. Cost of sales for the year amounted to HK\$155,172,000 (2014: HK\$126,790,000). The loss of HK\$3,660,000 (2014: HK\$4,908,000) was mainly due to the increasing sourcing and labour costs.

(ii) Property Investment

Turnover from the property investment segment increased by 38.3% to HK\$19,256,000 for the year ended 31 March 2015 (2014: HK\$13,927,000) of which HK\$11,484,000 and HK\$7,772,000 were generated from the properties in Hong Kong and the PRC respectively. The increase in turnover is primarily attributed to the completion of construction of investment properties in Huzhou, the PRC, 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.

On 30 April 2014, Main Lucky Enterprises Limited, a wholly owned subsidiary of the Company, entered into a provisional sale and purchase agreement with an independent third party to acquire a property situated at the ground floor, No. 15 Matheson Street, Causeway Bay, Hong Kong at a consideration of HK\$236,800,000. This transaction was approved by the shareholders in the special general meeting held on 18 June 2014 and the completion of sale and purchase took place on 20 August 2014.

The Group has 8 blocks of factory premises and 4 blocks of dormitories with a total gross floor areas of approximately 89,229 sq.m. in Huzhou, PRC.

(iii) Property Development

On 5 September 2014, the Company and Easyknit Properties Holdings Limited, a wholly-owned subsidiary of Easyknit International Holdings Limited, entered into a sale and purchase agreement in relation to the sale and purchase of the sale share of Kingbest Capital Holdings Limited (as supplemented by an agreement entered into on 15 September 2014 by the Company and Easyknit Properties Holdings Limited, whereby the Company will indirectly acquire the site located at No. 14 and 16 Inverness Road, Kowloon Tong, Kowloon, Hong Kong and the sale loan at a consideration of HK\$340 million). This transaction was approved by the independent shareholders in the special general meeting held on 20 October 2014 and the completion of sale and purchase took place on 21 November 2014.

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 8 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. This transaction was approved by the shareholders in the special general meeting held on 12 January 2015 and the completion of sale and purchase took place on 15 January 2015.

The Group planned to redevelop No. 14, 16, 18 and 20 Inverness Road, Kowloon Tong, Kowloon, Hong Kong (the “Inverness Road Project”). The general building plan to redevelop the Inverness Road Project has been submitted to Buildings Department in January 2015. The demolition works at No. 14 and 16 Inverness Road has been completed and the demolition works at No. 18 and 20 Inverness Road has also commenced in May 2015.

On 18 March 2015, Chancemore Limited, a wholly owned subsidiary of the Company, entered into ten provisional sale and purchase agreements with independent third parties to acquire ten property units situated at 1st floor, 2nd floor, 3rd floor, 4th floor; 5th floor and the roof of No. 11 and 13 Matheson Street, Causeway Bay, Hong Kong at an aggregate consideration and the related expenses of HK\$183,000,000. This transaction was approved by the shareholders in the special general meeting held on 11 May 2015 and the completion of sale and purchase took place on 17 June 2015.

(iv) 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 year ended 31 March 2015, this segment has recorded a gain of HK\$43,853,000 (2014: loss of HK\$1,738,000).

Events After the Reporting Period

- (i) On 26 May 2015, Cherry Sky Investments Limited (“Cherry Sky”), as lender, a wholly owned subsidiary of the Company, entered into a facility letter with the borrower, pursuant to which Cherry Sky has conditionally agreed to lend an interest bearing loan upto HK\$70,000,000 (the “Loan”) to the borrower for a period of 12 months from the drawdown date. The Loan is secured by a share charge and personal guarantee. The Loan is used by the borrower exclusively for repayment of its certain indebtedness and the balance for lending to the guarantor.
- (ii) On 12 June 2015, the Company completed the issue of a 2% coupon rate convertible note (the “2015 Convertible Note”) in an aggregate principal amount of HK\$86,000,000 with the maturity date on 12 June 2017 to an independent third party. The 2015 Convertible Note is convertible into ordinary shares of the Company at any time within a period of 2 years following the date of issue at the initial conversion price of HK\$0.85 per conversion share (subject to adjustment). The net proceeds of approximately HK\$85,900,000 raised from the issue of the 2015 Convertible Note is intended to be applied for general working capital of the Group.

Prospects

As mentioned in the annual report of the Company for the year ended 31 March 2015, 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.

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the expected completion of the Capital Reorganisation, the S&P Agreement(s) and the Rights Issue and 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 this Prospectus in the absence of unforeseen circumstances.

3. INDEBTEDNESS

At the close of business on 31 August 2015, being the latest practicable date for ascertaining the information prior to the printing of this Prospectus, the Group has outstanding bank borrowings of approximately HK\$291.0 million, which was guaranteed by the Company and were secured by certain investment properties of the Group.

Apart from as disclosed above and intra-group liabilities, the Group did not have at the close of business on 31 August 2015 any debt securities authorised or created 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 annual report of the Company for the year ended 31 March 2015, 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 2015/16, the US is showing signs of recovery. And the GDP growth target of China in 2015 is at a slower but intended higher quality growth, which is at 7%. But the changing expectation on possible rate hikes in the US as well as ongoing search for a consensus solution on sovereign debt crisis creating crisis of confidence results in uncertainties in the macro-economic environments. Nevertheless, the loose monetary policies adopted by China, Japan and Euro-zone can help stabilize the global economy.

Persistent property cooling measures continuously affects the local property market. Last year, home sales activities has heated up upon the further adjustments to the doubled stamp duty measures made by the government. But tightening measures on the mortgage requirements has been launched in February 2015 in order to curb the home prices. The market expects that there will be short term impacts on the small-to-medium end of the secondary residential property market while the new home sector will not be affected. The Group remains confident and optimistic towards the property market.

For the Matheson Street project, the Company shall consider to acquire the property located at the ground floor of No. 11 Matheson Street, Causeway Bay, Hong Kong by commencing the negotiations with the owner at the time when the Directors think fit. For the Inverness Road Project, the redevelopment works has commenced. It was expected that the site will be developed as residential properties in about 4 years.

The garment industry is still situated at a disadvantaged competitive position because of the rising prices of raw materials and the growing domestic labor costs. During the last year, the Group successfully raised its turnover with its major customers, but the cost of sales still remained at a relatively high level. The Group would use its best endeavours to strengthen its marketing strategies so as to maintain our competitive edge. The turnover from this business segment is expected to remain stable in 2015/16.

Looking forward to 2015/16, the Group shall emphasis on the property development business and to explore further quality investment opportunities to enhance its shareholders wealth.

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 2015, the date to which the latest published audited financial statements of the Company were made up.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP**Introduction**

The following is a summary of an illustrative and unaudited pro forma consolidated statement of financial position, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows (collectively referred to as the “Unaudited Pro Forma Financial Information”) of the Enlarged Group, which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the very substantial acquisition of the Target Companies (the “Very Substantial Acquisition”), the proposed capital reorganisation of the Company involving the share consolidation, capital reduction and authorised capital increase as detailed in the prospectus (the “Capital Reorganisation”), and the proposed Rights Issue as if the Very Substantial Acquisition, Capital Reorganisation and Rights Issue were completed on 31 March 2015 for the unaudited pro forma consolidated statement of financial position and as if the Very Substantial Acquisition, Capital Reorganisation and Rights Issue were completed on 1 April 2014 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows.

This Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company in accordance with Paragraph 4.29 of the Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Very Substantial Acquisition, Capital Reorganisation and Rights Issue been completed as at 31 March 2015 or at any future date or the results and cash flows of the Group for the year ended 31 March 2015 or for any future period.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2015 as disclosed in the 2015 annual report of the Company, and other financial information included elsewhere in the prospectus.

Unaudited pro forma consolidated statement of financial position of the Enlarged Group

The unaudited pro forma consolidated statement of financial position of the enlarged group has been prepared based on the audited consolidated statement of financial position of the Group as at 31 March 2015, which has been extracted from the annual report of the Company for the year ended 31 March 2015, after making the pro forma adjustments relating to the Very Substantial Acquisition, Capital Reorganisation and Rights Issue that are factually supportable, as explained in the notes below.

Unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows of the Enlarged Group

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Enlarged Group have been prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2015, which have been extracted from the annual report of the Group for the year ended 31 March 2015, after making the pro forma adjustments relating to the Very Substantial Acquisition, Capital Reorganisation and Rights Issue, that are factually supportable, as explained in the notes below.

	Golden Top Properties Limited	Grow Well Profits Limited	Janson Properties Limited	Supertop Investment Limited and its subsidiary ("Supertop Group")	The Target Companies	Pro forma adjustments			The Enlarged Group	
The Group as at 31 March 2015	as at 31 March 2015	as at 31 March 2015	as at 31 March 2015	as at 31 March 2015	as at 31 March 2015	HK\$'000	HK\$'000	HK\$'000	as at 31 March 2015	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Note 3)	(Note 4)	(Note 5)		
(Note 1)	(Note 2)	(Note 2)	(Note 2)	(Note 2)						
Non-current assets										
Property, plant and equipment	637	—	—	—	—	—	—	—	637	
Investment properties	924,510	28,500	136,043	10,430	57,330	232,303	—	—	1,156,813	
Available-for-sale investments	17,152	—	—	—	—	—	—	—	17,152	
Loans receivable	11,500	—	—	—	—	—	—	—	11,500	
	<u>953,799</u>	<u>28,500</u>	<u>136,043</u>	<u>10,430</u>	<u>57,330</u>	<u>232,303</u>	<u>—</u>	<u>—</u>	<u>1,186,102</u>	
Current assets										
Properties held for development for sale	560,914	—	—	—	—	—	—	—	560,914	
Deposit for acquisition of property held for development for sale	84,848	—	—	—	—	—	—	—	84,848	
Trade and other receivables	10,820	3	244	1	158	406	—	—	11,226	
Bills receivable	869	—	—	—	—	—	—	—	869	
Loans receivable	12,140	—	—	—	—	—	—	—	12,140	
Investments held for trading	91,557	—	—	—	—	—	—	—	91,557	
Bank balances and cash	204,234	979	6,097	354	312	7,742	—	297,531	(31,525)	477,982
	<u>965,382</u>	<u>982</u>	<u>6,341</u>	<u>355</u>	<u>470</u>	<u>8,148</u>	<u>—</u>	<u>297,531</u>	<u>(31,525)</u>	<u>1,239,536</u>

APPENDIX III

**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
UPON COMPLETION OF THE S&P AGREEMENT(S) AND THE RIGHTS ISSUE**

	The Group as at 31 March 2015 HK\$'000 (Audited) (Note 1)	Golden Top Properties Limited as at 31 March 2015 HK\$'000 (Audited) (Note 2)	Grow Well Profits Limited as at 31 March 2015 HK\$'000 (Audited) (Note 2)	Janson Properties Limited as at 31 March 2015 HK\$'000 (Audited) (Note 2)	Supertop Investment Limited and its subsidiary ("Supertop Group") as at 31 March 2015 HK\$'000 (Audited) (Note 2)	The Target Companies as at 31 March 2015 HK\$'000 (Audited)	Pro forma adjustments			The Enlarged Group as at 31 March 2015 HK\$'000
							HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	
Current liabilities										
Trade and other payables	26,272	320	716	116	389	1,541	—	—	—	27,813
Tax payable	6,909	—	187	—	—	187	—	—	—	7,096
Secured bank borrowings	146,140	—	—	—	—	—	—	—	—	146,140
Amount due to ultimate holding company	—	17,559	108,083	20,909	(33,895)	112,656	—	—	(112,656)	—
Amount due to a fellow subsidiary	—	27	—	9	34	70	—	—	—	70
	<u>179,321</u>	<u>17,906</u>	<u>108,986</u>	<u>21,034</u>	<u>(33,472)</u>	<u>114,454</u>	<u>—</u>	<u>—</u>	<u>(112,656)</u>	<u>181,119</u>
Net current assets (liabilities)	<u>786,061</u>	<u>(16,924)</u>	<u>(102,645)</u>	<u>(20,679)</u>	<u>33,942</u>	<u>(106,306)</u>	<u>—</u>	<u>297,531</u>	<u>81,131</u>	<u>1,058,417</u>
Total assets less current liabilities	<u>1,739,860</u>	<u>11,576</u>	<u>33,398</u>	<u>(10,249)</u>	<u>91,272</u>	<u>125,997</u>	<u>—</u>	<u>297,531</u>	<u>81,131</u>	<u>2,244,519</u>
Non-current liabilities										
Convertible note	11,153	—	—	—	—	—	—	—	—	11,153
Deferred tax liabilities	18,277	—	—	—	—	—	—	—	—	18,277
Secured bank borrowings	147,785	—	—	—	—	—	—	—	—	147,785
	<u>177,215</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>177,215</u>
Net assets (liabilities)	<u>1,562,645</u>	<u>11,576</u>	<u>33,398</u>	<u>(10,249)</u>	<u>91,272</u>	<u>125,997</u>	<u>—</u>	<u>297,531</u>	<u>81,131</u>	<u>2,067,304</u>
Capital and reserves										
Share capital	253	—	—	—	—	—	(228)	10,634	—	10,659
Reserves	1,562,392	11,576	33,398	(10,249)	91,272	125,997	228	286,897	81,131	2,056,645
	<u>1,562,645</u>	<u>11,576</u>	<u>33,398</u>	<u>(10,249)</u>	<u>91,272</u>	<u>125,997</u>	<u>—</u>	<u>297,531</u>	<u>81,131</u>	<u>2,067,304</u>

Notes to unaudited pro forma consolidated statement of financial position

1. The figures are extracted from the audited consolidated statement of the financial position of the Group as at 31 March 2015, as set out in the published annual report of the Company for the year ended 31 March 2015.
2. The figures are extracted from the financial information of the Target Companies as at 31 March 2015 as set out in Appendix II of this prospectus relating to accountants' reports of the Target Companies.
3. The adjustments for the proposed Capital Reorganisation represent (i) a share consolidation pursuant to which every ten issued and unissued then existing shares of HK\$0.01 each were consolidated into one consolidated share of HK\$0.10 each; (ii) the reduction of the nominal value of each issued consolidated share from HK\$0.10 to HK\$0.01 by cancelling HK\$0.09 paid up share capital for each consolidated share; (iii) the transfer of the credit arising from the reduction of share capital to the contributed surplus account of the Company and (iv) the transfer of any credit balance in the contributed surplus account of the Company to set off against accumulated losses of the Company, both of which amounted to approximately HK\$228,000.
4. The adjustments for the proposed Rights Issue represent (i) the assumed issuance of shares under the proposed Rights Issue of 1,063,437,940 rights shares of HK\$0.01 each at HK\$0.48 per Rights Share on the basis of twenty Rights Shares for every one Adjusted Share of the Company excluding the amount of approximately HK\$209,065,000 set off the consideration payable for the acquisition of the Target Companies from Easyknit International, and (ii) transaction costs attributable to issue of new shares amounting to approximately HK\$3,854,000, which will be settled by cash.
5. The adjustments for the purchase of Target Companies represent (i) the total consideration payable to Easyknit International amounting to approximately HK\$240,000,000 for the entire issued share capital of the Target Companies, of which approximately HK\$209,065,000 is set off against the amount receivable from Easyknit International for issuance of Right shares, resulting in HK\$30,935,000 being settled in cash; (ii) the exclusion of amount due to Easyknit International by the Target Companies on the basis that the total consideration included the purchase of the entire issued share capital of the Target Companies and the assignment to Easyknit Enterprises of the current accounts due by the Target Companies to Easyknit International and the current accounts will be assigned to the Company upon completion of the Very Substantial Acquisition under the terms agreed in the Supplemental Agreement; (iii) payment of the estimated transaction costs attributable to the Very Substantial Acquisition of approximately HK\$590,000, which will be recognised in profit or loss upon completion of the Very Substantial Acquisition; (iv) excess of the consideration over the net carrying value of the assets and liabilities of the Target Companies, amounting to approximately HK\$1,347,000 has been recognised in the retained earnings as the investment properties acquired are stated at their fair value as at 31 March 2015 and (v) elimination of the reserves of the Target Companies of HK\$125,997,000 as at 31 March 2015.
6. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2015.

Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income

	The Group for the year ended 31 March 2015 <i>HK\$'000</i> (Audited) <i>(Note 1)</i>	Golden Top Properties Limited for the year ended 31 March 2015 <i>HK\$'000</i> (Audited) <i>(Note 2)</i>	Grow Well Profits Limited for the year ended 31 March 2015 <i>HK\$'000</i> (Audited) <i>(Note 2)</i>	Janson Properties Limited for the year ended 31 March 2015 <i>HK\$'000</i> (Audited) <i>(Note 2)</i>	Supertop Group for the year ended 31 March 2015 <i>HK\$'000</i> (Audited) <i>(Note 2)</i>	The Target Companies for the year ended 31 March 2015 <i>HK\$'000</i> (Audited)	Pro forma adjustments <i>HK\$'000</i> <i>(Note 3)</i> <i>HK\$'000</i> <i>(Note 4)</i>		The Enlarged Group for the year ended 31 March 2015 <i>HK\$'000</i>
Turnover	192,489	1,200	3,479	384	1,520	6,583	—	—	199,072
Cost of goods sold and services rendered	(155,172)	—	—	—	—	—	—	—	(155,172)
Gross profit	37,317	1,200	3,479	384	1,520	6,583	—	—	43,900
Other income	9,254	—	—	—	6	6	—	—	9,260
Other gains and losses	176	—	—	—	—	—	—	—	176
Other expenses	(1,621)	—	—	—	—	—	(590)	—	(2,211)
Distribution and selling expenses	(4,582)	—	—	—	—	—	—	—	(4,582)
Administrative expenses	(31,181)	(218)	(10,127)	(70)	(444)	(10,859)	—	8,326	(33,714)
(Loss) gain on changes in fair value of investment properties	(8,155)	1,800	(23,311)	430	2,510	(18,571)	—	—	(26,726)
Gain on fair value changes of investments held for trading	40,040	—	—	—	—	—	—	—	40,040
Gain on fair value changes of financial assets designated as at fair value through profit or loss	411	—	—	—	—	—	—	—	411
Finance costs	(6,541)	(913)	—	(309)	—	(1,222)	—	—	(7,763)
Profit (loss) before taxation	35,118	1,869	(29,959)	435	3,592	(24,063)	(590)	8,326	18,791
Taxation	(4,032)	—	(95)	—	—	(95)	—	—	(4,127)
Profit (loss) for the year attributable to owners of the Company	31,086	1,869	(30,054)	435	3,592	(24,158)	(590)	8,326	14,664

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**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
UPON COMPLETION OF THE S&P AGREEMENT(S) AND THE RIGHTS ISSUE**

	The Group for the year ended 31 March 2015 HK\$'000 (Audited) (Note 1)	Golden Top Properties Limited for the year ended 31 March 2015 HK\$'000 (Audited) (Note 2)	Grow Well Profits Limited for the year ended 31 March 2015 HK\$'000 (Audited) (Note 2)	Janson Properties Limited for the year ended 31 March 2015 HK\$'000 (Audited) (Note 2)	Supertop Group for the year ended 31 March 2015 HK\$'000 (Audited) (Note 2)	The Target Companies for the year ended 31 March 2015 HK\$'000 (Audited)	Pro forma adjustments HK\$'000 (Note 3) (Note 4)		The Enlarged Group for the year ended 31 March 2015 HK\$'000
Other comprehensive income (expense)									
Items that may be reclassified subsequently to profit or loss:									
Change in fair value of available-for-sale investments	(533)	—	—	—	—	—	—	—	(533)
Exchange differences arising on translation of financial statements of foreign operations	576	—	(3,588)	—	—	(3,588)	—	—	(3,012)
Other comprehensive income (expense) for the year	43	—	(3,588)	—	—	(3,588)	—	—	(3,545)
Total comprehensive income for the year attributable to owners of the Company	<u>31,129</u>	<u>1,869</u>	<u>(33,642)</u>	<u>435</u>	<u>3,592</u>	<u>(27,746)</u>	<u>(590)</u>	<u>8,326</u>	<u>11,119</u>

Notes to unaudited pro forma consolidated statement of profit or loss and other comprehensive income

- The figures are extracted from the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2015, as set out in the published annual report of the Company for the year ended 31 March 2015.
- The figures are extracted from financial information of the Target Companies for the year ended 31 March 2015 as set out in Appendix II of this prospectus relating to accountants' reports of the Target Companies.
- The adjustment represents payment of the estimated transaction costs attributable to the Very Substantial Acquisition of approximately HK\$590,000, which will be recognised in profit or loss upon completion of the Very Substantial Acquisition as the investment properties acquired are stated at their fair values as at 31 March 2015.
- The adjustment reflects the exclusion of foreign exchange difference from ultimate holding company, on the assumption that the ultimate holding company balance had been assigned to the Company upon completion of the Very Substantial Acquisition.
- No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2015.

Unaudited Pro Forma Consolidated Statement of Cash Flows

	The	Golden	Grow	Janson	Supertop	The	Pro forma adjustments			The
	Group	Top	Well	Properties	Group	Target				Enlarged
	for the	Properties	Profits	for the	for the	Companies				Group
	year ended	for the	for the	for the	for the	for the				for the
	31 March	year ended	year ended	year ended	year ended	year ended				year ended
	2015	31 March	31 March	31 March	31 March	31 March				31 March
	(Audited)	2015	2015	2015	2015	2015				2015
	HK\$ '000	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	HK\$ '000	HK\$ '000	HK\$ '000	HK\$ '000
	(Note 1)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 3)	(Note 4)	(Note 5)	
Operating activities										
Profit before taxation	35,118	1,869	(29,959)	435	3,592	(24,063)	—	(590)	8,326	18,791
Adjustments for:										
Interest income	(5,565)	—	—	—	(4)	(4)	—	—	—	(5,569)
Interest expense	6,541	913	—	309	—	1,222	—	—	—	7,763
Depreciation	152	—	—	—	—	—	—	—	—	152
Unrealised gain on fair value changes of investments held for trading	(32,247)	—	—	—	—	—	—	—	—	(32,247)
Dividend income from listed investments	(3,447)	—	—	—	—	—	—	—	—	(3,447)
Gain on disposal of property, plant and equipment	(13)	—	—	—	—	—	—	—	—	(13)
Gain on fair value change of financial assets designated as at fair value through profit or loss	(411)	—	—	—	—	—	—	—	—	(411)
Foreign exchange difference from inter-company balance	—	—	8,326	—	—	8,326	—	—	(8,326)	—
Loss (gain) on fair value changes of investment properties	8,155	(1,800)	23,311	(430)	(2,510)	18,571	—	—	—	26,726
Operating cash flows before movements in working capital	8,283	982	1,678	314	1,078	4,052	—	(590)	—	11,745
Increase in trade and other receivables	(1,318)	—	(13)	—	(98)	(111)	—	—	—	(1,429)
Increase in bills receivable	(869)	—	—	—	—	—	—	—	—	(869)
Increase in loans receivable	(6,140)	—	—	—	—	—	—	—	—	(6,140)
Decrease in investments held for trading	27,592	—	—	—	—	—	—	—	—	27,592
(Decrease) increase in trade and other payables	(982)	—	17	—	105	122	—	—	—	(860)
Increase in amount due to a fellow subsidiary	—	—	—	—	15	15	—	—	—	15
Cash from operations	26,566	982	1,682	314	1,100	4,078	—	(590)	—	30,054
Dividend received from investments	3,447	—	—	—	—	—	—	—	—	3,447
Tax paid	—	—	(199)	—	—	(199)	—	—	—	(199)

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**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
UPON COMPLETION OF THE S&P AGREEMENT(S) AND THE RIGHTS ISSUE**

	The Group for the year ended 31 March 2015 (Audited) HK\$'000 (Note 1)	Golden Top Properties Limited for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	Grow Well Profits Limited for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	Janson Properties Limited for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	Supertop Group for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	The Target Companies for the year ended 31 March 2015 (Audited) HK\$'000	Pro forma adjustments			The Enlarged Group for the year ended 31 March 2015 HK\$'000
							HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	
Net cash from operating activities	30,013	982	1,483	314	1,100	3,879	—	(590)	—	33,302
Investing activities										
Net cash outflow on acquisition of subsidiaries	(339,931)	—	—	—	—	—	—	—	—	(339,931)
Addition of investment properties	(287,686)	—	—	—	—	—	—	—	—	(287,686)
Addition of properties held for development for sale	(228,156)	—	—	—	—	—	—	—	—	(228,156)
Deposits and prepayments paid for acquisition of property held for development for sale	(77,725)	—	—	—	—	—	—	—	—	(77,725)
Purchase of available-for-sale investments	(1,546)	—	—	—	—	—	—	—	—	(1,546)
Purchase of property, plant and equipment	(183)	—	—	—	—	—	—	—	—	(183)
Redemption of financial assets designated as at fair value through profit or loss	29,033	—	—	—	—	—	—	—	—	29,033
Interest received	5,845	—	—	—	4	4	—	—	—	5,849
Proceeds from disposal of property, plant and equipment	13	—	—	—	—	—	—	—	—	13
Acquisition of the Target Companies	—	—	—	—	—	—	—	(25,805)	—	(25,805)
Net cash used in investing activities	(900,336)	—	—	—	4	4	—	(25,805)	—	(926,137)

APPENDIX III

**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
UPON COMPLETION OF THE S&P AGREEMENT(S) AND THE RIGHTS ISSUE**

	The Group for the year ended 31 March 2015 (Audited) HK\$'000 (Note 1)	Golden Top Properties Limited for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	Grow Well Profits Limited for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	Janson Properties Limited for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	Supertop Group for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	The Target Companies for the year ended 31 March 2015 (Audited) HK\$'000 (Note 2)	Pro forma adjustments			The Enlarged Group for the year ended 31 March 2015 HK\$'000
							HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	
Financing activities										
Proceeds from issue of new shares	361,312	—	—	—	—	—	301,385	—	—	662,697
Bank borrowing raised	139,000	—	—	—	—	—	—	—	—	139,000
Bank borrowings repaid	(6,977)	—	—	—	—	—	—	—	—	(6,977)
Interest paid	(6,034)	(913)	—	(309)	—	(1,222)	—	—	—	(7,256)
Transaction costs attributable to issue of new shares	(2,330)	—	—	—	—	—	(3,854)	—	—	(6,184)
Net cash inflow from ultimate holding company	—	630	—	—	—	630	—	—	(630)	—
Net cash inflow from a fellow subsidiary	—	9	—	—	—	9	—	—	—	9
Advance from (to) ultimate holding company	—	—	159	251	(1,114)	(704)	—	—	704	—
Advance from a fellow subsidiary	—	—	—	3	—	3	—	—	—	3
Net cash from financing activities	484,971	(274)	159	(55)	(1,114)	(1,284)	297,531	—	74	781,292
Net decrease in cash and cash equivalents	(385,352)	708	1,642	259	(10)	2,599	297,531	(26,395)	74	(111,543)
Cash and cash equivalents at beginning of the year	589,458	—	—	—	—	—	—	—	—	589,458
Effect of foreign exchange rate changes	128	—	13	—	—	13	—	—	—	141
Cash and cash equivalents at end of the year, represented by bank balances and cash	204,234									478,056

Notes to unaudited pro forma consolidated statement of cash flows

1. The figures are extracted from the audited consolidated statement of cash flows of the Group for the year ended 31 March 2015, as set out in the published annual report of the Company for the year ended 31 March 2015.
2. The figures are extracted from the financial information of the Target Companies for the year ended 31 March 2015 as set out in Appendix II of this prospectus relating to accountants' reports of the Target Companies.
3. The adjustment for the proposed Capital Reorganisation represents (i) the assumed issuance of shares under the proposed Rights Issue of 1,063,437,940 rights shares of HK\$0.01 each at HK\$0.48 per Rights Share on the basis of twenty Rights Shares for every one Adjusted Share of the Company, of which gross proceeds of HK\$209,065,000 payable by Easyknit International to Easyknit Enterprises is not presented in the unaudited pro forma financial statements of the Group as it is set off against the consideration payable by Easyknit Enterprises for the acquisition of the Target Companies pursuant to the S&P Agreement, and (ii) transaction costs attributable to issue of new shares amounting to HK\$3,854,000, which will be settled by cash.
4. The adjustments represent (i) payment of the estimated transaction costs attributable to the Very Substantial Acquisition of approximately HK\$590,000, which will be recognised in profit or loss upon completion of the Very Substantial Acquisition and (ii) payment of the consideration payable to Easyknit International, net of Rights Issue proceeds of HK\$209,065,000 as mentioned in note 3, of approximately HK\$30,935,000. The pro forma net cash outflows of the Very Substantial Acquisition is assumed to be approximately HK\$25,805,000 which represents consideration payable less the cash and cash equivalents of the Target Companies acquired as at 1 April 2004 of approximately HK\$5,130,000 assuming the Very Substantial Acquisition had been taken place on 1 April 2014.
5. The adjustment reflects the exclusion of the amount due to the ultimate holding company by the Target Companies, and changes thereof, on the assumption that the current accounts with ultimate holding company had been assigned to the Company on the assumed completion date.
6. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2015.

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

TO THE DIRECTORS OF EASYKNIT 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 pro forma consolidated statement of financial position as at 31 March 2015, the pro forma statement of profit or loss and other comprehensive income for the year ended 31 March 2015, the pro forma consolidated statement of cash flows for the year ended 31 March 2015 and related notes as set out on pages III-1 to III-10 of the prospectus issued by the Company dated 14 October 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 to III-10 of the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of (i) the proposed very substantial acquisition of Golden Top Properties Limited, Grow Well Profits Limited, Janson Properties Limited and Supertop Investment Limited and its subsidiary (hereinafter referred to as “Target Companies”) (the “Very Substantial Acquisition”), (ii) the proposed capital reorganisation of the Company involving the share consolidation, capital reduction and authorised capital increase as detailed in the Prospectus (the “Capital Reorganisation”), and (iii) the proposed rights issue of 1,063,437,940 rights shares of HK\$0.01 each at HK\$0.48 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 financial position as at 31 March 2015 and the Group’s financial performance and cash flows for the year ended 31 March 2015 as if the Very Substantial Acquisition, Capital Reorganisation and the Rights Issue had taken place at 31 March 2015 and 1 April 2014, respectively. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 March 2015, on which an audit report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

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

Reporting Accountants' Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants 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 Very Substantial Acquisition, Capital Reorganisation and the Rights Issue at 31 March 2015 or 1 April 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

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

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

14 October 2015

The following is the text of a letter and valuation certificates prepared for the purpose of incorporation in this Prospectus received from DTZ Debeham Tie Leung (SEA) Pte Ltd, an independent valuer, in connection with their valuation of the Singapore Properties as at 21 July 2015.



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Singapore 189702
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Fax: +65 6298 9328
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Co Reg No: 199501391G

The Directors
Easyknit International Holdings Limited
Easyknit Enterprises Holdings Limited
Block A, 7/F.,
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan, Kowloon
Hong Kong

14 October 2015

Dear Sirs,

**PROPERTY VALUATION FOR SINGAPORE PROPERTIES
IN SINGAPORE AS AT 21 JULY 2015**

VALUATION REPORT FOR : GROW WELL PROFITS LIMITED

- 1. Purpose of Valuation** : To determine the current market value of the subject properties for public announcement.
- 2. Address of Property** ; 15 Ardmore Park #04-03, #06-04 & #18-02
Ardmore Park Singapore 259959
- 3. Date of Inspection** : Internal inspection was conducted by Jean Huang, a licensed appraiser with more than 5 years experiences, on 13 July 2015 and 21 July 2015.

4. Details of Property

Type : 3 units of 4-bedroom apartments located on the 4th, 6th, and 18th storey of a 30-storey block within Ardmore Park, a condominium development.

Age : Approximately 14 years.

Condition : Good.

Orientation : The living area faces south-east (for #04-03 & #06-04) and north-west (for #18-02).

5. Title and Tenure

Unit No	Legal Description (Town Subdivision 25)	Strata Floor Area (sq.m.)	Share in Common Property
#04-03	U3594X	268.0	5/1,680
#06-04	U3568V	268.0	5/1,680
#18-02	U3635X	268.0	5/1,680

Tenure : Freehold.

Registered Proprietor : Grow Well Profits Limited.

Encumbrance : Nil.

6. Town Planning

Master Plan Zoning (2014 Edition) : Residential.

7. The Subject Development

Ardmore Park is a condominium development located along Ardmore Park, off Scotts Road and approximately 6 km from the city centre at Raffles Place. The immediate locality is an exclusive and prestigious residential area comprising mainly condominium/apartment developments such as Juniper at Ardmore, The Claymore, Ardmore II and JC Draycott amongst many others. It is also in close proximity to both Orchard Road and Scotts Road, the prime shopping belt in Singapore where shopping centres such as Orchard Towers, Palais Renaissance, Shaw Centre, Ion Orchard and Far East Plaza are located. In addition, it is within walking distance to established clubs like The Tanglin Club and The American Club.

The subject development comprises a total of 324 units of apartment with a standard size of about 268 sq.m. and 6 penthouses with a standard size of about 812 sq.m. housed in three 30-storey blocks. Access to the upper storeys within each block is facilitated by lifts and staircases.

Facilities provided include landscape gardens, swimming pool, children's pool, jacuzzi, 2 tennis courts, putting green, children's playground, pavilion, function/multi-purpose rooms, gymnasium, changing rooms, water garden, koi pond, jogging track and fitness area and ample basement carpark. In addition, CCTV security system are installed at strategic locations within the development and an advanced electronic access system are also provided. Each apartment is provided with home security and audio-video intercom systems.

8. The Subject Property

The accommodation and finishes of the subject property are as follows:

Accommodation	Finishes	Others
#04-03		
Private lift foyer	marble slabs to floor and walls with false ceiling/downlights	—
Living/dining areas	marble flooring with false ceiling/downlights	built-in shelves
Balcony	marble flooring	—
Powder room	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets
Master bedroom	timber strip flooring with false ceiling/downlights	built-in wardrobes
Attached bathroom	marble slabs to floor and walls to false ceiling height	vanity top with low-level cabinets/shower enclosure/long bath
Bedrooms 2 & 3	timber strip flooring with false ceiling/downlights	built-in wardrobes
each with an Attached bathroom	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets/shower enclosure
Bedroom 4	timber strip flooring with false ceiling/downlights	built-in wardrobes
Attached bathroom	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets/long bath
Kitchen	homogeneous tiled floor and walls with false ceiling/downlights	high/low-level kitchen cabinets with cooker hob/ hood/ oven/sink/microwave oven/dishwasher
Yard	homogeneous tiled floor and walls with false ceiling/downlights	sink support with low-level cabinets
Maid's room	homogeneous tile flooring with false ceiling/downlights	built-in cabinets/bed and wall fan
Toilet	homogeneous tiled floor and walls with false ceiling/downlights	—
Store	homogenous tile flooring with false ceiling/downlights	built-in shelves
Others	—	ducted system/water-heaters

Accommodation	Finishes	Others
#06-04		
Private lift foyer	marble slabs to floor and walls with false ceiling/downlights	—
Living/dining areas	marble flooring with false ceiling/downlights	built-in shelves
Balcony	marble flooring	—
Powder room	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets
Master bedroom	timber strip flooring with false ceiling/downlights	built-in wardrobes
Attached bathroom	marble slabs to floor and walls to false ceiling height	vanity top with low-level cabinets/shower enclosure/long bath
Bedrooms 2 & 3	timber strip flooring with false ceiling/downlights	built-in wardrobes
each with an Attached bathroom	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets/shower enclosure
Bedroom 4	timber strip flooring with false ceiling/downlights	built-in wardrobes
Attached bathroom	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets/long bath
Kitchen	homogeneous tiled floor and walls with false ceiling/downlights	high/low-level kitchen cabinets with cooker hob/ hood/ oven/sink/microwave oven/dishwasher
Yard	homogeneous tiled floor and walls with false ceiling/downlights	sink support with low-level cabinets
Maid's room	homogeneous tile flooring with false ceiling/downlights	built-in cabinets/bed and wall fan
Toilet	homogeneous tiled floor and walls with false ceiling/downlights	—
Store	homogenous tile flooring with false ceiling/downlights	built-in shelves
Others	—	ducted system/water-heaters

Accommodation	Finishes	Others
#18-02		
Private lift foyer	marble slabs to floor and walls with false ceiling/downlights	—
Living/dining areas	marble flooring with false ceiling/downlights	built-in shelves
Balcony	marble flooring	—
Powder room	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets
Master bedroom	timber strip flooring with false ceiling/downlights	built-in wardrobes
Attached bathroom	marble slabs to floor and walls to false ceiling height	vanity top with low-level cabinets/shower enclosure/long bath
Bedrooms 2 & 3	timber strip flooring with false ceiling/downlights	built-in wardrobes
each with an Attached bathroom	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets/shower enclosure
Bedroom 4	timber strip flooring with false ceiling/downlights	built-in wardrobes
Attached bathroom	marble slabs to floor and walls with false ceiling/downlights	vanity top with low-level cabinets/long bath
Kitchen	homogeneous tiled floor and walls with false ceiling/downlights	high/low-level kitchen cabinets with cooker hob/ hood/ oven/sink/microwave oven/dishwasher
Yard	homogeneous tiled floor and walls with false ceiling/downlights	sink support with low-level cabinets
Maid's room	homogeneous tile flooring with false ceiling/downlights	built-in cabinets/bed and wall fan
Toilet	homogeneous tiled floor and walls with false ceiling/downlights	—
Store	homogenous tile flooring with false ceiling/downlights	built-in shelves
Others	—	ducted system/water-heaters

- 9. Tenancy Details** : We were informed that the subject properties are currently tenanted. The tenancy details are as follows:

Unit No.	Commencement Date	Tenancy Period	Monthly Gross Rental
#04-03	1/06/2015	2 years	S\$16,000/-
#06-04	25/07/2014	2 years	S\$17,000/-
#18-02	01/12/2013	2 years	S\$17,000/-

- 10. Other Details** : Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm whether the subject properties are affected by any public schemes such as road improvements. If assurance is required, we recommend that verification be obtained from your lawyers.

- 11. Basis of Valuation** : Our opinion of the market value of the subject properties in their existing continued use is arrived at by direct comparison with recent transactions of comparable properties within the vicinity. Necessary adjustments have been made for differences in location, tenure, size, shape, design and layout, age and condition of buildings, availability of facilities, dates of transactions and the prevailing market conditions amongst other factors affecting its value.

12. Valuation

Having regard to all relevant information, we are of the opinion that the current market value of the subject properties, free from all encumbrances, are as follows:

Unit No	Current Market Value
#04-03	S\$7,850,000/-
#06-04	S\$7,900,000/-
#18-02	S\$8,300,000/-
Total	S\$24,050,000/- (Singapore Dollars Twenty-Four Million And Fifty Thousand)

for and on behalf of

DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD

Nicholas Cheng

Executive Director

Valuation Advisory Services

BSc (Est Mgt) MSISV

(Appraiser's Licence No: AD041-2004055B)

for and on behalf of

DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD

Jean Huang

Manager (Special Projects)

Valuation Advisory Services

BSc (Land Mgt) Hons MSISV

(Appraiser's Licence No: AD041-2009748D)

The following is the text of a letter and valuation certificate prepared for the purpose of the incorporation in this Prospectus received from Knight Frank Petty Limited, an independent valuer, in connection with their valuation of the ST Properties, GT Property and Janson Property as at 30 June 2015.



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14 October 2015

The Directors
Easyknit International Holdings Limited
Easyknit Enterprises Holdings Limited
Block A, 7/F.,
Hong Kong Spinners Building, Phase 6
481-483 Castle Peak Road
Cheung Sha Wan
Kowloon, Hong Kong

Dear Sirs

**PROPERTY VALUATION FOR VARIOUS PROPERTIES IN HONG KONG AS AT
30 JUNE 2015**

In accordance with the instructions from Easyknit Enterprises Holdings Limited (the “Company”) for us to value the Properties which are to be acquired by the Company and its subsidiaries (hereinafter collectively referred to as the “Group”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 30 June 2015 (“Valuation Date”) for the purpose of disclosure in the Prospectus.

DEFINITION OF MARKET VALUE

In arriving at our opinion of market value, we have followed the HKIS Valuation Standards (2012 Edition) issued by the Hong Kong Institute of Surveyors (HKIS). Under the said standards, Market Value is defined as:—

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of an asset or liability is also estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In undertaking the valuation, we have regarded the requirements contained in the HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

VALUATION METHODOLOGY

As advised by the Company, the Properties are currently held for investment purpose and our valuation is prepared by “Direct Comparison Approach” with reference to sales evidence as available in the market.

VALUATION ASSUMPTIONS AND CONDITIONS

Our valuation is subject to the following assumptions and conditions:

Title Documents and Encumbrances

We have taken reasonable care to investigate the title of the Properties by obtaining sample land search records from the Land Registry. We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We however do not accept a liability for any interpretation which we have placed on such information that is more properly the sphere of your legal advisers. We have also assumed in our valuation that the Properties were free from encumbrances, restrictions, title defects and outgoings of an onerous nature that could affect their values, unless stated otherwise as at the Valuation Date.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on any properties nor for any expenses or taxation which may be incurred in effecting a sale.

Source of Information

We have relied to a very considerable extent on information provided by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupancies, incomes, floor areas and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning the Properties, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

Inspection

We inspected the external of the Properties in July 2015. The inspection was undertaken by our Mr Colin Tang, the Manager and our Mr Ricky Chow, the Assistant Manager of General Valuation Department. Nevertheless, we have assumed in our valuation that the Properties were in satisfactory exterior and interior decorative order without any unauthorised extensions or structural alterations as at the Valuation Date.

Identity of Property to be valued

We exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Properties, identified by the property addresses in your instructions, are the properties inspected by us and contained within our valuation report. If there is ambiguity as to the property addresses, or the extent of the properties to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

Property Insurance

We have valued the Properties on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Areas and Age

As instructed, we have relied upon areas as available from a quoted source. Otherwise, dimensions and areas would be measured on-site or from plans and calculated in accordance with, where appropriate, the current HKIS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source.

We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. Where the age of the building is estimated, this is for guidance only.

Structural and Services Condition

We were not instructed to undertake any structural surveys, test the services or arrange for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the Properties. Our valuation has therefore been undertaken on the basis that the Properties were in satisfactory repair and condition and contains no deleterious materials and that services function satisfactorily.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Properties are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Properties are unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed that the Properties valued had been constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Properties upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, except only where otherwise stated.

We herein enclose our summary of valuation and the valuation.

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Thomas H M Lam
FRICS MHKIS MCIREA MHKSI RPS(GP) RICS
Registered Valuer
*Senior Director, Head of Valuation &
Consultancy*

Yours faithfully
For and on behalf of
Knight Frank Petty Limited

Catherine Cheung
MRICS MHKIS RPS(GP)
Director, General Valuation

Notes: Thomas H M Lam is a Chartered Surveyor who has extensive experiences in market research, valuation and consultancy in China, Hong Kong, Macau and Asia Pacific region (ex-Japan).

Catherine Cheung, MRICS MHKIS RPS(GP), has been a qualified valuer with Knight Frank since 1992 and has over 20 years' experience in the valuation of properties in Hong Kong.

Enc

SUMMARY OF VALUATION

Property	Market value in existing state as at 30 June 2015
1. 2nd Floor of Nos 790, 792 and 794 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	HK\$11,680,000
2. 6th Floor of Nos 650-652 Castle Peak Road and No 18A Wing Hong Street, Cheung Sha Wan, Kowloon	HK\$29,800,000
3. House 9 (including garden, carport, flat roof & roof), Villa Castell, No 20 Yau King Lane, Tai Po, New Territories	HK\$14,900,000
4. Workshop Space B on 1st Floor, Fung Wah Factorial Building, Nos 646, 648, 648A Castle Peak Road, Cheung Sha Wan, Kowloon	HK\$6,880,000
5. Units 1 & 2 on 7th Floor of Block D and Car Parking Space No 46 on Lower Ground Floor, Shatin Heights, No 8003 Tai Po Road, Shatin, New Territories	HK\$14,400,000
6. Roof, No 20 Wing Hong Street, Cheung Sha Wan, Kowloon	HK\$970,000
7. 5th Floor, No 20 Wing Hong Street, Cheung Sha Wan, Kowloon	HK\$11,300,000
8. 3rd Floor, No 161 Wong Nai Chung Road, Happy Valley, Hong Kong	HK\$12,300,000
Total:	HK\$102,230,000 (Hong Kong Dollars One Hundred Two Million Two Hundred and Thirty Thousand)

VALUATION

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>1. 2nd Floor of Nos 790, 792 and 794 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon</p> <p>1/7th share of and in The Remaining Portion of Sub-section 4 of Section B of New Kowloon Inland Lot No 3516, Subsection C of Sub-section 4 of Section B of New Kowloon Inland Lot No 3516 and Subsection D of Sub-section 4 of Section B of New Kowloon Inland Lot No 3516</p>	<p>The Property comprises three industrial units on the 2nd Floor of three contiguous 7-storey industrial buildings completed in about 1959 and situated in Cheung Sha Wan where the locality comprises mainly medium/high-rise industrial and commercial building.</p> <p>The Property has a total saleable area of 278.42 sq m (2,997 sq ft) approximately.</p> <p>The Property is held under Conditions of Sale No 4268 for a term expired on 30 June 1997 and has been statutorily extended until 30 June 2047.</p>	<p>As advised by the Company, as at the Valuation Date, the Property was subject to a tenancy for a term of 2 years commencing from 1 December 2013 at a monthly rent of HK\$32,000 inclusive of rates and management fees.</p>	<p>HK\$11,680,000</p>
	<p>The annual Government rent payable for the Property is an amount equal to 3 per cent of the then rateable value of the Property.</p>		

Notes:

- (1) The registered owner of the Property was Janson Properties Limited as at the Valuation Date.
- (2) As at the Valuation Date, the Property was subject to the following encumbrances as per the land search records:—
 - i. Deed of Mutual Covenant vide memorial no UB300043 dated 20 June 1959 (Re: for 2/F of No 790 Cheung Sha Wan Road only).
 - ii. Deed of Mutual Covenant vide memorial no UB300042 dated 20 June 1959 (Re: for 2/F of No 792 Cheung Sha Wan Road only).
 - iii. Deed of Mutual Covenant vide memorial no UB300530 dated 20 June 1959 (Re: for 2/F of No 794 Cheung Sha Wan Road only).
 - iv. Waiver Letter from the Government of the Hong Kong Special Administrative Region by the District Lands Officer/Kowloon West vide Memorial No 10070601390017 dated 30 June 2010, which permits a portion of the premises on 2/F of Nos 792 and No 794 having an area not exceeding 143.09 sq m (1,540 sq ft) or thereabouts for the purpose of a canteen for the lifetime of the existing buildings.
- (3) The Property was situated within an area zoned for “Other Specified Uses (Business)” uses under the approved Cheung Sha Wan Outline Zoning Plan No S/K5/35 dated 17 December 2013 as at the Valuation Date.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
2. 6th Floor of Nos 650-652 Castle Peak Road and No 18A Wing Hong Street, Cheung Sha Wan, Kowloon 4/40th shares of and in Section B of New Kowloon Inland Lot No 1750	<p>The Property comprises the whole of the 6th Floor of a 9-storey industrial building completed in about 1961 and situated in Cheung Sha Wan where the locality comprises mainly medium/high-rise industrial and commercial building.</p> <p>The Property has a saleable area of 790.97 sq m (8,514 sq ft) approximately.</p> <p>The Property is held under a Government Lease for a term expired on 30 June 1997 and has been statutorily extended until 30 June 2047.</p> <p>The annual Government rent payable for the Property is an amount equal to 3 per cent of the then rateable value of the Property.</p>	As advised by the Company, as at the Valuation Date, the Property was subject to a tenancy for a term of 2 years commencing from 16 August 2013 at a monthly rent of HK\$100,000 inclusive of rates and management fees.	HK\$29,800,000

Notes:

- (1) The registered owner of the Property was Golden Top Properties Limited as at the Valuation Date.
- (2) As at the Valuation Date, the Property was subject to the following encumbrances as per the land search records:—
 - i. Letter by Registrar General (Land Office) approving on certain conditions the modification of Crown Lease vide Memorial No UB300027 dated 7 July 1959.
 - ii. Deed of Covenant vide memorial no UB344480 dated 12 June 1961.
- (3) The Property was situated within an area zoned for “Other Specified Uses (Business)” uses under the approved Cheung Sha Wan Outline Zoning Plan No S/K5/35 dated 17 December 2013 as at the Valuation Date.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015															
3. House 9 (including garden, carport, flat roof & roof), Villa Castell, No 20 Yau King Lane, Tai Po, New Territories 45/3,050th shares of and in Tai Po Town Lot No 96	<p>The Property comprises a 3-storey semi-detached house within a private low-density residential development namely Villa Castell which was completed in 1992. The locality is predominated by low and medium rise residential developments.</p> <p>As per the developer's sales brochure, the Property has a gross floor area of 219.06 sq m (2,358 sq ft) or saleable area of 148.55 sq m (1,599 sq ft) or thereabout with the ancillary accommodations shown as follows:</p> <table data-bbox="608 1070 890 1257"> <thead> <tr> <th></th> <th>sq m</th> <th>sq ft</th> </tr> </thead> <tbody> <tr> <td>Carport</td> <td>54.44</td> <td>586</td> </tr> <tr> <td>Garden</td> <td>101.08</td> <td>1,088</td> </tr> <tr> <td>Roof</td> <td>26.38</td> <td>284</td> </tr> <tr> <td>Flat Roof</td> <td>2.51</td> <td>27</td> </tr> </tbody> </table> <p>The Property is held under New Grant No TP12439 for a term from 15 September 1988 to 30 June 2047.</p> <p>The annual Government rent payable for the Property is an amount equal to 3 per cent of the then rateable value of the Property.</p>		sq m	sq ft	Carport	54.44	586	Garden	101.08	1,088	Roof	26.38	284	Flat Roof	2.51	27	As advised by the Company, as at the Valuation Date, the Property was subject to a tenancy for a term of 2 years commencing from 23 December 2013 at a monthly rent of HK\$30,000 inclusive of rates and management fees.	HK\$14,900,000
	sq m	sq ft																
Carport	54.44	586																
Garden	101.08	1,088																
Roof	26.38	284																
Flat Roof	2.51	27																

Notes:

- (1) The registered owner of the Property was Goldchamp International Limited as at the Valuation Date.
- (2) As at the Valuation Date, the Property was subject to the following encumbrances as per the land search records:—
 - i. Modification Letter vide Memorial No TP319707 dated 7 February 1990.
 - ii. Modification Letter vide Memorial No TP356004 dated 6 February 1991.
 - iii. Permit to occupy a new building vide Memorial No TP399692 dated 2 July 1992.
 - iv. Letter of Compliance vide Memorial No TP399805 dated 11 August 1992.
 - v. Deed of Mutual Covenant vide Memorial No TP401571 dated 18 August 1992.
- (3) The Property was situated within an area zoned for “Residential (Group C)” uses under the draft Tai Po Outline Zoning Plan No S/TP/25 exhibited on 11 April 2014 as at the Valuation Date.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
4. Workshop Space B on 1st Floor, Fung Wah Factorial Building, Nos 646, 648, 648A Castle Peak Road, Cheung Sha Wan, Kowloon	The Property comprises a workshop unit on the 1st Floor of a 7-storey industrial building completed in 1970 and situated in Cheung Sha Wan where the locality comprises mainly medium/high-rise industrial and commercial building.	As advised by the Company, as at the Valuation Date, the Property was subject to a tenancy for a term of 2 years from 16 October 2013 at a monthly rent of HK\$13,000 inclusive of rates and management fees.	HK\$6,880,000
2/60th shares of and in the Remaining Portion of Section A of New Kowloon Inland Lot No 2213, Section D of New Kowloon Inland Lot No 2213, the Remaining Portion of New Kowloon Inland Lot No 2213 and Section E of New Kowloon Inland Lot No 2213	The Property has a saleable area of 178.09 sq m (1,917 sq ft) approximately. The Property is held under a Government Lease for a term expired on 30 June 1997 and has been statutorily extended until 30 June 2047. The annual Government rent payable for the Property is an amount equal to 3 per cent of the then rateable value of the Property.		

Notes:

- (1) The registered owner of the Property was Goldchamp International Limited as at the Valuation Date.
- (2) As at the Valuation Date, the Property was subject to the following encumbrances as per the land search records:—
 - i. Deed of Covenant vide Memorial No UB751468 dated 6 July 1970.
 - ii. Sealed copy judgment under DCCJ 1459/2014 (Re: the part in green or any part thereof as per the Ground Floor plan annexed in the instrument) vide Memorial No 14090800830013 dated 22 July 2014.
- (3) The Property was situated within an area zoned for “Other Specified Uses (Business)” uses under the approved Cheung Sha Wan Outline Zoning Plan No S/K5/35 dated 17 December 2013 as at the Valuation Date.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
<p>5. Units 1 & 2 on 7th Floor of Block D and Car Parking Space No 46 on Lower Ground Floor, Shatin Heights, No 8003 Tai Po Road, Shatin, New Territories</p> <p>47/2, 950th shares of and in Lot No 1510 in Demarcation District No 189</p>	<p>The Property comprises an enlarged residential unit on the 7th Floor of Block D of a private residential development namely Shatin Heights which comprises a total of eight 8-storey apartment blocks together with car parking spaces provided on the Lower Ground Floor. The development was completed in 1983. The locality is predominated by low and medium rise residential developments.</p>	<p>As advised by the Company, as at the Valuation Date, the Property was subject to a tenancy for a term expiring on 22 December 2015 at a monthly rent of HK\$24,000 inclusive of rates and management fees.</p>	<p>HK\$14,400,000</p>
	<p>The Property has a total gross floor area of approximately 223.71 sq m (2,408 sq ft) as per the developer's sales brochure.</p>		
	<p>The Property is held under New Grant No 9988 for a term expired on 30 June 1997 and has been statutorily extended until 30 June 2047.</p>		
	<p>The annual Government rent payable for the Property is an amount equal to 3 per cent of the then rateable value of the Property.</p>		

Notes:

- (1) The registered owner of the Property was Goldchamp International Limited as at the Valuation Date.
- (2) As at the Valuation Date, the Property was subject to the following encumbrances as per the land search records:—
 - i. Modification Letters vide vide Memorial No ST169222 dated 11 October 1971.
 - ii. Modification Letters vide vide Memorial No ST227638 dated 1 February 1983.
 - iii. Modification Letters vide vide Memorial No ST232236 dated 10 June 1983.
 - iv. Deed of Mutual Covenant vide Memorial No ST245278 dated 25 November 1983.
 - v. Letter (Certificate of Compliance) from District Office, Sha Tin vide Memorial No ST267075 dated 19 November 1981.
 - vi. Waiver Letter from District Lands Officer, Sha Tin vide Memorial No ST274988 dated 10 December 1984.
 - vii. Notice No WNZ/U24-21/0012/05 issued by the Building Authority under Section 24c(1) of the Buildings Ordinance vide Memorial No 10083102160101 dated 23 October 2009 (Re: Car parking space only).
- (3) The Property was situated within an area zoned for “Residential (Group B)” uses under the draft Sha Tin Outline Zoning Plan No S/ST/31 exhibited on 17 April 2015 as at the Valuation Date.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
6. Roof, No 20 Wing Hong Street, Cheung Sha Wan, Kowloon 1/25th share of and in Section B of New Kowloon Inland Lot No 2213	<p>The Property comprises the open roof of a 6-storey industrial building completed in about 1965 and situated in Cheung Sha Wan where the locality comprises mainly medium/high-rise industrial and commercial building.</p> <p>The Property has an area of approximately 270.34 sq m (2,910 sq ft).</p> <p>The Property is held under a Government Lease for a term expired on 30 June 1997 and has been statutorily extended until 30 June 2047.</p> <p>The annual Government rent payable for the Property is an amount equal to 3 per cent of the then rateable value of the Property.</p>	As advised by the Company, as at the Valuation Date, the Property together with the 5th Floor of the building was subject to a tenancy for a term of 3 years commencing from 1 June 2013 at a monthly rent of HK\$36,000 inclusive of rates and management fees.	HK\$970,000

Notes:

- (1) The registered owner of the Property was Goldchamp International Limited as at the Valuation Date.
- (2) As at the Valuation Date, the Property was subject to the following encumbrances as per the land search records:—
 - i. Deed of Mutual Covenant vide Memorial No UB472966 dated 11 January 1965.
 - ii. Notice No WNZ/U03-36/0001/05 issued by the Building Authority under Section 24c(1) of the Buildings Ordinance vide Memorial No 08071101000031 dated 21 July 2007.
- (3) The Property was situated within an area zoned for “Other Specified Uses (Business)” uses under the approved Cheung Sha Wan Outline Zoning Plan No S/K5/35 dated 17 December 2013 as at the Valuation Date.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
7. 5th Floor, No 20 Wing Hong Street, Cheung Sha Wan, Kowloon 4/25th shares of and in Section B of New Kowloon Inland Lot No 2213	<p>The Property comprises the whole of industrial floor on the 5th Floor of a 6-storey industrial building completed in about 1965 and situated in Cheung Sha Wan where the locality comprises mainly medium/high-rise industrial and commercial building.</p> <p>The Property has a saleable area of approximately 316.05 sq m (3,402 sq ft).</p> <p>The Property is held under a Government Lease for a term expired on 30 June 1997 and has been statutorily extended until 30 June 2047.</p> <p>The annual Government rent payable for the Property is an amount equal to 3 per cent of the then rateable value of the Property.</p>	As advised by the Company, as at the Valuation Date, the Property together with the Roof of the building was subject to a tenancy for a term of 3 years commencing from 1 June 2013 at a monthly rent of HK\$36,000 inclusive of rates and management fees.	HK\$11,300,000

Notes:

- (1) The registered owner of the Property was Goldchamp International Limited as at the Valuation Date.
- (2) As at the Valuation Date, the Property was subject to the following encumbrance as per the land search records:—
 - i. Deed of Mutual Covenant vide Memorial No UB472966 dated 11 January 1965.
- (3) The Property was situated within an area zoned for “Other Specified Uses (Business)” uses under the approved Cheung Sha Wan Outline Zoning Plan No S/K5/35 dated 17 December 2013 as at the Valuation Date.

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2015
8. 3rd Floor, No 161 Wong Nai Chung Road, Happy Valley, Hong Kong 1/11th share of and in Inland Lot No 4384	<p>The Property comprises a residential unit on the 3rd Floor of a 10-storey composite building completed in 1958. The locality is predominated by tenement buildings with recreational and community facilities located nearby including Happy Valley Recreation Ground.</p> <p>The Property has a saleable area of approximately 72.60 sq m (781 sq ft).</p> <p>The Property is held under a Government Lease for a term of 75 years from 6 November 1899 and renewed for a further term of 75 years.</p> <p>The Government rent payable for the Property is HK\$486 per annum.</p>	As advised by the Company, as at the Valuation Date, the Property was subject to a tenancy for a term of 2 years commencing from 8 March 2015 at a monthly rent of HK\$32,000 exclusive of rates but inclusive of management fees.	HK\$12,300,000

Notes:

- (1) The registered owner of the Property was Goldchamp International Limited as at the Valuation Date.
- (2) As at the Valuation Date, the Property was subject to the following encumbrance as per the land search records:—
 - i. Deed of Covenant vide Memorial No UB289866 dated 28 January 1959.
- (3) The Property was situated within an area zoned for “Residential (Group A)” uses under the approved Wong Nai Chung Outline Zoning Plan No S/H7/17 exhibited on 8 July 2014 as at the Valuation Date.

1. RESPONSIBILITY STATEMENT

This 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 this 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 this 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)	21,777,652	880,281	22,657,932	42.61%
Ms. Koon Ho Yan Candy	Beneficiary of a trust (note ii)	21,777,652	880,281	22,657,932	42.61%

Notes:

- (i) These Shares are respectively registered in the name of and are beneficially owned by Landmark Profits Limited (“**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 trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse).

- (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	21,777,652	880,281	22,657,932	42.61%
Landmark Profits	<i>i & ii</i>	Beneficial owner	4,454,738	—	4,454,738	8.38%
Goodco	<i>i & ii</i>	Beneficial owner	17,322,914	880,281	18,203,195	34.23%
Easyknit International	<i>i & ii</i>	Interest of controlled corporation	21,777,652	880,281	22,657,932	42.61%
Magical Profits	<i>i & iii</i>	Interest of controlled corporation	21,777,652	880,281	22,657,932	42.61%
Accumulate More Profits Limited	<i>i</i>	Interest of controlled corporation	21,777,652	880,281	22,657,932	42.61%

Name of Shareholder	Note	Capacity	Number of Shares held (long position)	Number of underlying Shares held	Total	Approximate percentage of interest
Winterbotham Trust	<i>i & iv</i>	Trustee	21,777,652	880,281	22,657,932	42.61%
Winterbotham Holdings Limited	<i>iv</i>	Interest of controlled corporation	21,777,652	880,281	22,657,932	42.61%
Markson International Holdings Limited	<i>iv</i>	Interest of controlled corporation	21,777,652	880,281	22,657,932	42.61%
Christopher Geoffrey Douglas Hooper	<i>iv</i>	Interest of controlled corporation	21,777,652	880,281	22,657,932	42.61%
Ivan Geoffery Douglas Hooper	<i>iv</i>	Interest of controlled corporation	21,777,652	880,281	22,657,932	42.61%
Get Nice Securities Limited	<i>v</i>	Beneficial owner	627,884,880	—	627,884,880	56.23%
Get Nice Incorporated	<i>v</i>	Interest of controlled corporation	627,884,880	—	627,884,880	56.23%
Get Nice Holdings Limited	<i>v</i>	Interest of controlled corporation	627,884,880	—	627,884,880	56.23%

Notes:

- (i) In the 21,777,652 Shares, 4,454,738 Shares and 17,322,914 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 880,281 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 trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). 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 21,777,652 Shares and 880,281 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) Winterbotham Trust is the trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members other than her spouse). Winterbotham Trust is owned as to 75% by Winterbotham Holdings Limited (“Winterbotham Holdings”) and 25% by Markson International Holdings Limited (“Markson”) respectively. Winterbotham Holdings is owned as to approximately 99.99% by Mr. Christopher Geoffrey Douglas Hooper. And Markson is owned as to 60% by Mr. Christopher Geoffrey Douglas Hooper and 40% by Mr. Ivan Geoffrey Douglas Hooper respectively.
- (v) 627,884,880 are the rights shares underwritten by the underwriter in respect of the proposed rights issue announced on 6 August 2015. 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 this Prospectus which are or may be material:

- (a) 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);

- (b) 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;
- (c) 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;
- (d) 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;
- (e) the underwriting agreement dated 2 February 2015 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 506,399,020 rights shares at the subscription price of HK\$0.65 per rights share; and
- (f) 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 2015 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

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 Rights Issue (including but not limited to the underwriting commission, printing, registration, financial advisory, legal, professional and accounting charges) are approximately HK\$5,000,000 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. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this Prospectus or have given their opinion or advice which are contained in this Prospectus:

Name	Qualification
DTZ Debeham Tie Leung (SEA) Pte Ltd	Independent Professional Valuer
Knight Frank Petty Limited	Independent Professional Valuer
Deloitte Touche Tohmatsu	Certified Public Accountants

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

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

The above experts have given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion of their letters and the references to their names in the form and context in which they appear.

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 this Prospectus over the Chinese text.

11. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of the Prospectus, together with the PAL and the EAF and the written consent of Deloitte Touche Tohmatsu (referred to herein) have been registered with the Registrar of Companies in Hong Kong.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong for a period of 14 days from the date of this 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 2013, 2014 and 2015;
- (c) the letter from Deloitte Touche Tohmatsu in respect of the unaudited pro forma financial information of the Group upon completion of the S&P Agreement(s) and Rights Issue as set out in Appendix III to this Prospectus;
- (d) the valuation reports prepared by DTZ and Knight Frank, the texts of which are set out in Appendix IV and Appendix V respectively to this Prospectus;

- (e) the letters of consent referred to in the paragraph headed “Experts and consents” in this appendix;
- (f) the material contracts referred to the paragraph headed “Material contracts” in this appendix;
- (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 S&P Agreement(s) and Supplemental Agreement;
- (i) the Underwriting Agreement; and
- (j) this Prospectus.