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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in e-Kong Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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### (1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF LISTED SECURITIES; AND (2) NOTICE OF SPECIAL GENERAL MEETING

Financial adviser to the Company



Independent financial adviser to the Independent Board Committee  
and the Independent Shareholders



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A letter from the Independent Board Committee is set out on page 17 of this circular and a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 40 of this circular.

A notice convening the SGM of the Company to be held at 11:00 a.m. on Friday, 29 December 2017 at Suites 3401-3413, 34/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed with this circular.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

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## DEFINITIONS

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

“Agreed Disposal Price”	being approximately HK\$7.316 per SingAsia Share with aggregate consideration of HK\$41,701,000 (exclusive of transaction costs) as agreed between the Vendor and Mr. Yeung in connection with the Disposal as a result of the Undertaking
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	e-Kong Group Limited, a company incorporated in Bermuda with limited liability, whose issued shares are listed on main board of the Stock Exchange (stock code: 524)
“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“controlling Shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the sale of 5,700,000 SingAsia Shares by the Vendor to Mr. Yeung on 9 June 2017 at the Agreed Disposal Price as a result of the Undertaking
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors
“Independent Financial Adviser” or “Grand Moore”	Grand Moore Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the transactions contemplated thereunder

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## DEFINITIONS

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“Independent Shareholder(s)”	Shareholder(s) other than any controlling Shareholders and their associates, or where there are no controlling Shareholders, any Director (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Initial Price”	being HK\$4.65 per SingAsia Share as agreed between the Vendor and Mr. Yeung in connection with the Disposal prior to execution of the Undertaking
“Latest Practicable Date”	6 December 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Standly Yeung”	Mr. Yeung Chun Sing Standly, the brother of Mr. Yeung and an executive Director
“Mr. Yeung”	Mr. Yeung Chun Wai Anthony, an executive Director at the time of the Disposal and ceased to be an executive Director with effect from 23 November 2017
“PRC”	the People’s Republic of China
“Previous Acquisitions”	acquisition of several listed securities by the Vendor from Mr. Yeung, details of which are set out in the section headed “Previous Transactions with Mr. Yeung” in the Letter from the Board in this circular
“Previous Disposals”	disposal of several listed securities by the Vendor to Mr. Yeung, details of which are set out in the section headed “Previous Transactions with Mr. Yeung” in the Letter from the Board in this circular
“SFO”	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGD”	Singapore dollars, the lawful currency of the Republic of Singapore
“SGM”	the special general meeting of the Company to be convened to consider and if thought fit approve the Disposal and the transactions contemplated thereunder
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of the Shares
“SingAsia”	SingAsia Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8293)
“SingAsia Shares”	ordinary share(s) of HK\$0.01 each in the share capital of SingAsia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning as ascribed to it under the Listing Rules
“Undertaking”	the deed of undertaking dated 6 October 2017 executed by Mr. Yeung to the Vendor which will eventually result in amendment of the agreed price of the Disposal from the Initial Price to the Agreed Disposal Price
“Vendor”	e-Kong Pillars Holdings Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“%”	per cent.



## e-Kong Group Limited

(Incorporated in Bermuda with limited liability)

[www.e-kong.com](http://www.e-kong.com)

(Stock code: 524)

*Executive Directors:*

Zhao Ruiyong (Chairman)  
Li Bing (Chief executive officer)  
Cheung Ka Heng Frankie (Vice-chairman)  
Chan Chi Yuen  
Wong Xiang Hong  
Yeung Chun Sing Standly

*Independent Non-executive Directors:*

Fung Chan Man Alex  
Fung Wai Shing  
Zhao Guangming  
Huang Tao

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal Place of Business:*

Suite 1402  
14/F, Henley Building  
No.5 Queen's Road Central  
Central  
Hong Kong

11 December 2017

*To the Shareholders*

Dear Sir or Madam,

**(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION  
TO THE DISPOSAL OF LISTED SECURITIES;  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcements of the Company dated 16 June 2017, 21 July 2017 and 6 October 2017 (the "**Announcements**"), in relation to, among others, (i) the disposal of 5,700,000 SingAsia Shares by the Vendor to Mr. Yeung; (ii) the failure of the Company in seeking for Independent Shareholders' approval for the Disposal which constituted a breach of Rule 14A.36 of the Listing Rules; (iii) the Undertaking which will result in the agreed price of the Disposal to be set at the Agreed Disposal Price instead of the Initial Price.

The purpose of this circular is to provide you with the information regarding, among others, (i) details of the Disposal; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Disposal; and (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Disposal; and (iv) the notice of the SGM.

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## LETTER FROM THE BOARD

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As disclosed in the Announcements, the disposal of the 5,700,000 SingAsia Shares has been executed through the market on 9 June 2017. As such, the purpose of the SGM is to rectify the omission of Independent Shareholders' approval for the Disposal and the transactions contemplated thereunder.

### THE DISPOSAL

#### Background

On 9 June 2017, the Vendor and Mr. Yeung entered into a sale and purchase agreement, pursuant to which the Vendor agreed to sell and Mr. Yeung agreed to buy 5,700,000 SingAsia Shares at the Initial Price of HK\$4.65 per SingAsia Share. The aggregate consideration for the Disposal based on the Initial Price amounted to HK\$26,505,000 (exclusive of transaction costs). Despite that the agreed price for the Disposal being HK\$4.65 per SingAsia Share, Mr. Yeung executed the Disposal by buying the SingAsia Shares in the market from the Vendor at the then market price in three tranches, resulting in buying a total 5,700,000 SingAsia Shares at an aggregate consideration of \$41,701,000 (exclusive of transaction costs) at an average price of approximately HK\$7.316 (the "**Executed Price**"). Prior to execution of the Undertaking on 6 October 2017, it is intended that the balance of the Initial Price and the Executed Price (the "**Balance**") would be refunded by the Company to Mr. Yeung after the transaction (the "**Refund Mechanism**").

#### *The Undertaking*

Subsequently, after taking into account (i) concern of the Stock Exchange towards the Refund Mechanism; (ii) the Disposal which was executed at the Executed Price would provide greater amount of proceeds to the Group than based on the Initial Price; and (iii) Mr. Yeung's willingness for not demanding refund of the Balance, the Board considers that it will be in the best interest of the Group not to implement the Refund Mechanism. In this regards, the Undertaking was executed on 6 October 2017, pursuant to which, the Refund Mechanism will not be implemented as Mr. Yeung will not demand refund of the Balance conditional upon approval of the Disposal by the Independent Shareholders. Following execution of the Undertaking, it has resulted in the agreed price of the Disposal being amended from the Initial Price to the Agreed Disposal Price, being equivalent to the Executed Price.

In the event that the Disposal is not approved by the Independent Shareholders, pursuant to the Undertaking, Mr. Yeung agreed to return all 5,700,000 SingAsia Shares to the Vendor in exchange for the return of the aggregate consideration previously paid to the Vendor by Mr. Yeung.

Save for the 2017 Previous Acquisition (as defined below) and the Previous Disposals (including the Disposal) (details are set out in the section headed "Previous Transactions with Mr. Yeung"), the Company did not have any other transactions with Mr. Yeung in the last 12 months prior to the date of the Disposal (i.e. 9 June 2017) up to the Latest Practicable Date.

#### Assets disposed of

The Group disposed a total of 5,700,000 SingAsia Shares, representing approximately 2.28% of the entire issued share capital of SingAsia as at the date of Disposal and the Latest Practicable Date.

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## LETTER FROM THE BOARD

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Upon completion of the Disposal, the Group does not hold any SingAsia Shares.

### Consideration

The price of the Disposal (as amended as a result of the Undertaking) is equivalent to the Agreed Disposal Price of approximately HK\$7.316 per SingAsia Share and the aggregate consideration amounted to HK\$41,701,000 (exclusive of transaction costs), which was settled in cash. Mr. Yeung has bought a total 5,700,000 SingAsia Shares in the market from the Vendor at the then market prices at an average price of approximately HK\$7.316 per SingAsia Share, a total of HK\$41,701,000 (exclusive of transaction costs) was received by the Vendor.

The consideration for the Disposal (as amended as a result of the Undertaking) was determined after arm's length discussions between the parties and with reference to the followings:

- (a) **Historical price performance of SingAsia Shares** – it was noted that the Agreed Disposal Price of HK\$7.316 per SingAsia Share represents:
- (i) a premium of approximately 26.8% over the average closing price of HK\$5.77 per SingAsia Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to 9 June 2017 (the “**Reference Price**”);
  - (ii) a slight discount of approximately 1.80% to closing price of HK\$7.45 per SingAsia Share as quoted on the Stock Exchange on 9 June 2017;
  - (iii) equivalent to the Executed Price of HK\$7.316 per SingAsia Share; and
  - (iv) a discount of approximately 47.7% to the closing price of HK\$14 per SingAsia Share as quoted on the Stock Exchange on the Latest Practicable Date.
- (b) **Thin market liquidity of SingAsia Shares** – the Board was informed by Mr. Yeung that prior to entering into the Disposal, within a week before 9 June 2017, he had enquired 3 brokerage houses to identify potential purchasers for 5,700,000 SingAsia Shares and the overall feedback was negative. It was reported that no potential purchasers could be identified by the aforesaid brokerage houses and even if such potential purchaser was identified, the relevant SingAsia Shares would have to be sold with a substantial discount and the sale price would likely be in the range of HK\$1.5 to HK\$3 (the “**Indicative Prices**”). The discounts of the Indicative Prices to the Reference Price were in the range of approximately 48.0% to 74.0%, which were at deeper discounts than that of approximately 19.4% as represented by the Initial Price of HK\$4.65 per SingAsia Share. In addition, the Indicative Prices were much lower than each of the Initial Price and the Agreed Disposal Price and represented (i) discounts ranged from approximately 35.5% to 67.7% to the Initial Price; and (ii) discounts ranged from approximately 59.0% to 79.5% to the Agreed Disposal Price.

Mr. Yeung had not obtained written replies from the brokerage houses. The Board had taken into account of the following (i) as set out below in the section headed “Reasons for and benefits for the Disposal”, the Group had immediate need for cash to satisfy the Repayment (as defined below) within tight time constraint by end of



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## LETTER FROM THE BOARD

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June 2017 given that unrestricted cash and bank position of the Group would be insufficient to meet the Repayment; (ii) Mr. Yeung's effort in identifying potential purchasers proved futile given non-favourable replies from the brokerage houses with the Indicative Prices were even lower than the Initial Price, not to mention the Agreed Disposal Price; (iii) it would be uncertain whether purchaser would be identified for the SingAsia Shares in a timely manner prior to the deadline for the Repayment even at the Indicative Prices; (iv) average daily trading volume of SingAsia Shares for 30 consecutive trading days prior to 9 June 2017 was less than 300,000 (the "**Average Daily Volume**"). Based on the Average Daily Volume, it would require at least 19 trading days for disposal of 5,700,000 SingAsia Shares in the market and completion of which might have exceeded the deadline for the Repayment; (v) disposal of the SingAsia Shares to Mr. Yeung was the only available means given the tight time constraint for the Repayment; and (vi) the Disposal was set at a price substantially higher than the Indicative Prices. Therefore, the Company has reasonably exhausted all possible methods to dispose the SingAsia Shares, before consider disposing the SingAsia Shares to Mr. Yeung.

### Information of SingAsia

SingAsia is a company incorporated in the Cayman Islands with limited liability whose shares are listed on Growth Enterprise Market of the Stock Exchange (stock code: 8293). SingAsia is principally engaged in providing manpower outsourcing services, manpower recruitment services and manpower training services based in Singapore.

Set out below is a summary of the financial information of SingAsia for the two years ended 31 July 2016 and 2017 as extracted from the annual reports of SingAsia for the year ended 31 July 2017:

	<b>For the year ended 31 July 2017</b>	<b>For the year ended 31 July 2016</b>
	<i>SGD</i>	<i>SGD</i>
	(audited)	(audited)
Revenue	18,654,727	20,833,182
Net (loss) before taxation	(897,691)	(1,362,167)
Net (loss) after taxation	(618,512)	(1,297,161)

As disclosed in the annual report for the year ended 31 July 2017 of SingAsia, the audited consolidated net assets value of SingAsia as at 31 July 2017 was approximately SGD10.2 million.

The Group held those 5,700,000 SingAsia Shares for 12 months or less before the Disposal. During the period from 12 December 2016 to 22 March 2017, the Group purchased an aggregate of 5,700,000 SingAsia Shares in the open market through Kingston Securities Limited ("**Kingston**"), a securities broker of the Group, at purchase prices ranged between HK\$2.33 and HK\$4.56 per SingAsia Share with aggregate

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## LETTER FROM THE BOARD

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consideration of HK\$19,562,000 (exclusive of transaction costs) (the “**Acquisition**”). Set out below are the details of the Acquisition:

<b>Date of transaction</b>	<b>Number of SingAsia Shares purchased</b>	<b>Acquisition price per SingAsia Share (Note 1) HK\$</b>	<b>Seller (Note 2)</b>
12 December 2016	1,000,000	2.33	Unknown
14 December 2016	1,000,000	2.56	Unknown
20 December 2016	1,000,000	2.42	Unknown
20 March 2017	700,000	4.56	Unknown
22 March 2017 (Note 3)	2,000,000 (Note 3)	4.53 (Note 3)	Mr. Yeung (Note 3)
<b>Total:</b>	<b><u>5,700,000</u></b>		

*Notes:*

- Price of acquisition for each SingAsia Share by the Group excluded transaction costs.
- The Acquisition was made by the Group at the relevant time in the open market through Kingston, a securities broker of the Group (the “**Arrangement**”). As such, the Group was not aware of the identities of the sellers of the SingAsia Shares under the Arrangement. In addition, conducting the Acquisition under the Arrangement is a common market practice and is a normal practice of the Group for trading of listed securities. On the contrary, it will be unusual for the Group to identify the counterparties for transactions conducted under the Arrangement.
- At the time of acquisition, the Group was not aware of the identity of the seller. It first came to the attention of the Group that Mr. Yeung might be the seller in October 2017 (the “**Matter**”). In the course of the Group’s investigation regarding the Matter and after reviewing the securities account statements of the Vendor and Mr. Yeung, in early November 2017, the Group noted that Mr. Yeung was the seller. Acquisition of this batch of SingAsia Shares constituted part of the Previous Acquisitions.

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## LETTER FROM THE BOARD

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### PREVIOUS TRANSACTIONS WITH MR. YEUNG

Reference is made to the announcement of the Company dated 24 November 2017. Save for the Disposal, only until early November 2017 and in the course of investigation of the Matter, did the Company notice that several acquisitions (the “**Previous Acquisitions**”) and disposals (the “**Previous Disposals**”) of listed securities by the Vendor in the open market were actually transacted with Mr. Yeung. Details of which are set out below:

#### Previous Acquisitions:

During the period from August 2015 to March 2017, acquisitions of the following listed securities by the Vendor in the open market were transacted with Mr. Yeung:

Name of investee company & stock code	Date of transaction	Number of shares purchased	Total consideration (exclusive of transaction costs) HK\$	Buyer and its broker	Seller and its broker
<b>In 2015</b>					
Kingston Financial Group Limited (stock code: 1031) (the “ <b>2015 Previous Acquisition 1</b> ”)	17 August 2015	3,972,000	11,161,320	The Vendor (broker: Kingston)	Mr. Yeung (broker: Enlighten Securities Limited (“ <b>Enlighten</b> ”))
Sincere Watch (Hong Kong) Limited (stock code: 444) (the “ <b>2015 Previous Acquisition 2</b> ”)	9 September 2015	7,100,000	9,978,600	The Vendor (broker: Kingston)	Mr. Yeung (broker: Enlighten)
	5 October 2015	8,720,000	7,935,200	The Vendor (broker: Kingston)	Mr. Yeung (broker: Enlighten)
Tech Pro Technology Development Limited (stock code: 3823) (the “ <b>2015 Previous Acquisition 3</b> ”)	5 October 2015	4,440,000	7,992,000	The Vendor (broker: Kingston)	Mr. Yeung (broker: Enlighten)
<b>In 2017</b>					
SingAsia (stock code: 8293) (the “ <b>2017 Previous Acquisition</b> ”)	22 March 2017	2,000,000	9,060,000	The Vendor (broker: Kingston)	Mr. Yeung (broker: The Hongkong and Shanghai Banking Corporation Limited (“ <b>HSBC</b> ”))

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## LETTER FROM THE BOARD

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### Previous Disposals:

During the period from December 2016 to June 2017, disposals of the following listed securities by the Vendor in the open market were transacted with Mr. Yeung:

Name of investee company & stock code	Date of transaction	Number of shares disposed	Total consideration (exclusive of transaction costs) HK\$	Buyer and its broker	Seller and its broker
Beijing Enterprises Clean Energy Group Limited (stock code: 1250) (the "Previous Disposal 1")	14 December 2016	7,000,000	1,329,060	Mr. Yeung (broker: Union Bancaire Privee, UBP SA ("UBP"))	The Vendor (broker: Kingston)
The Disposal	9 June 2017	5,700,000 SingAsia Shares	41,701,000	Mr. Yeung (broker: HSBC)	The Vendor (broker: Kingston)
Beijing Gas Blue Sky Holdings Limited (stock code: 6828) (the "Previous Disposal 2")	12 June 2017	26,256,000	13,653,120	Mr. Yeung (broker: HSBC and UBP)	The Vendor (broker: Kingston)

The Previous Acquisitions comprised of (i) three acquisitions which took place in 2015, namely, the 2015 Previous Acquisition 1, the 2015 Previous Acquisition 2 and the 2015 Previous Acquisition 3 (collectively, the "2015 Previous Acquisitions"); and (ii) one acquisition which took place in 2017, being the 2017 Previous Acquisition. As the 2015 Previous Acquisitions were entered into within a 12-month period, they shall be aggregated in accordance with Rule 14.22 of the Listing Rules. The 2017 Previous Acquisition took place on 22 March 2017, being a time which exceeded a 12-month period from the 2015 Previous Acquisition 3 which took place on 5 October 2015. As such, the 2017 Previous Acquisition shall not be aggregated with the 2015 Previous Acquisitions.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the 2015 Previous Acquisitions on an aggregate basis were more than 5% but less than 25%, the 2015 Previous Acquisitions constituted discloseable transactions for the Company under the Listing Rules. In addition, given that Mr. Yeung is a connected person of the Company at the relevant time, the 2015 Previous Acquisitions also constituted connected transactions. The total consideration of the 2015 Previous Acquisitions was more than HK\$10,000,000, which exceeded the de minimis threshold under Rule 14A.76(2) of the Listing Rules. Therefore, the 2015 Previous Acquisitions were subject to the reporting, announcement, circular, independent shareholders' approval, setting up of the independent board committee and appointment of independent financial adviser requirements under Rule 14.34, Rule 14A.35, Rule 14A.36, Rule 14A.39, Rule 14A.45, Rule 14A.46 and Rule 14A.49 of the Listing Rules. However, due to inadvertent oversight, the Company has failed in complying with such requirements and constituted a breach of such Listing Rules at the material time.

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## LETTER FROM THE BOARD

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As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the 2017 Previous Acquisition were less than 5% while the consideration exceeded HK\$3,000,000, the 2017 Previous Acquisition fell under Rule 14A.76(2) of the Listing Rules and was therefore exempted from the circular and independent shareholders' approval requirements and only subject to the reporting and announcement requirements pursuant to Rule 14A.35 and 14A.49 of the Listing Rules. However, due to inadvertent oversight, the Company has failed to make timely disclosure of the 2017 Previous Acquisition and constituted a breach of Rule 14A.35 of the Listing Rules.

The Previous Disposals comprised of three disposals, namely the Previous Disposal 1, the Disposal and the Previous Disposal 2 which took place on 14 December 2016, 9 June 2017 and 12 June 2017 respectively. As the Previous Disposals were entered into within a 12-month period, they shall be aggregated in accordance with Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Previous Disposals on an aggregate basis were more than 5% but less than 25%, the Previous Disposals constituted discloseable and connected transactions for the Company under the Listing Rules. The aggregate consideration of the Previous Disposals was more than HK\$10,000,000, which exceeded the de minimis threshold under Rule 14A.76(2) of the Listing Rules. Therefore, the Previous Disposals were subject to the reporting, announcement, circular, independent shareholders' approval requirements, setting up of the independent board committee and appointment of independent financial adviser under Rule 14.34, Rule 14A.35, Rule 14A.36, Rule 14A.39, Rule 14A.45, Rule 14A.46 and Rule 14A.49 of the Listing Rules. However, due to inadvertent oversight, the Company has failed in complying with the aforesaid requirements (except for Rule 14A.49 of the Listing Rules where annual reporting of the Previous Disposals will have to be made in the forthcoming annual report of the Group for the year ending 31 December 2017) and constituted a breach of relevant Listing Rules at the material time.

Save for the Disposal, the Company was not aware of the Previous Acquisitions, the Previous Disposal 1 and the Previous Disposal 2 until early November 2017.

The Previous Acquisitions, the Previous Disposal 1 and the Previous Disposal 2 were completed and concerned shares thereunder were no longer held by the Vendor. As such, Independent Shareholders approval will only be sought for the Disposal at the SGM.

### **REASONS FOR AND BENEFITS FOR THE DISPOSAL**

The principal activity of the Vendor and the Company is investment holding. The Group currently has a portfolio of business interests in the telecommunications, information technology, financial solution, software development and distribution sectors in Hong Kong, Singapore and the PRC.

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## LETTER FROM THE BOARD

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The purpose of the Disposal is to realize investment gain and raise additional capital. As a result of the Disposal, the Group will realize a gain of HK\$22,139,000 which is calculated on the basis of the difference between the original aggregate acquisition costs and the consideration for the Disposal at the Agreed Disposal Price (exclusive of transaction costs). The net proceeds from the Disposal will be approximately HK\$41.6 million. The Group intends to use the net proceeds of the Disposal for (i) settlement of the Repayment (as defined below), being remaining balance of the cash consideration of approximately HK\$37.2 million for the acquisition of Diamond Frontier Investment Limited; and (ii) the remaining balance of approximately HK\$4.4 million for general working capital of the Group, such as office rent, property management fees, salaries and wages and operating and administrative expenses.

Pursuant to the sale and purchase agreement in relation to the acquisition of the entire issued share capital of Diamond Frontier Investment Limited entered into between Stage Charm Limited ("**Stage Charm**"), a wholly-owned subsidiary of the Company, and Summer Beach International Limited ("**Summer Beach**"), an independent third party on 24 June 2016, the remaining balance of the consideration of approximately HK\$37.2 million (the "**Repayment**") shall be paid to Summer Beach on or before 30 December 2016. The Repayment was subsequently postponed to 31 December 2017.

According to the management accounts of the Group as at 31 May 2017, the Company has an unrestricted cash and bank position of approximately HK\$27.3 million and without the proceeds from the Disposal initially based on the Initial Price of approximately HK\$26.5 million, it would be insufficient to meet the Repayment on 30 June 2017 of approximately HK\$37.2 million. As such, as at the time of early June 2017, an immediate need for cash for the Company arose and the Board has considered ways to meet the cash needs and one of which would be, to dispose non-core assets of the Group. The Board has also agreed in principal that the 5,700,000 SingAsia Shares were one of those readily disposable non-core assets of the Group.

On 6 October 2017, upon execution of the Undertaking, the agreed price for the Disposal is essentially amended from the Initial Price to the Agreed Disposal Price. Therefore, it will provide additional funding for the business operations of the Group.

In view of the above and the Agreed Disposal Price is equivalent to the then market price upon execution of the Disposal as represented by the Executed Price, the Directors were of the view that the Disposal was fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

If the Disposal is not approved by the Independent Shareholders, as a result of the Undertaking, the Disposal shall be unwound by (i) transferring the 5,700,000 SingAsia Shares back to the Vendor by Mr. Yeung; and (ii) to refund the sale proceeds in the amount of approximately HK\$41,701,000 (exclusive of transaction costs) to Mr. Yeung. In this regard, none of the SingAsia Shares held by Mr. Yeung from the Disposal will be disposed pending the results of the SGM.

In addition, the Company is liaising with the banks to arrange financing by borrowings if additional working capital is required as a result of the unwinding of the Disposal. The Board is also considering the feasibility of placing new Shares and/or requesting the Substantial Shareholder to provide funding commitment where (i) on normal commercial terms or better; and (ii) no security will be involved, all of which the Substantial Shareholder has preliminary agreed if needed.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

Mr. Yeung, being the chairman of the Board and an executive Director at the time of the Disposal and ceased to be an executive Director with effect from 23 November 2017, is a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable and connected transaction for the Company under the Listing Rules. Therefore, the Disposal is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules and the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Due to the miscalculation of the applicable percentage ratios, the Disposal has not been approved by the Independent Shareholders. As such, the Company has failed in complying with 14A.36 of the Listing Rules. Accordingly, an SGM will be convened for the purpose of seeking the approval of the Independent Shareholders on the Disposal and the transactions contemplated thereunder.

As Mr. Yeung is considered to have a material interest in the Disposal, he had abstained from voting on the relevant board resolutions to approve the Disposal. Mr. Standly Yeung, the brother of Mr. Yeung, is an associate of Mr. Yeung. Therefore, Mr. Standly Yeung had a material interest in the Disposal. Given that Mr. Standly Yeung was not a party to the Disposal, he was not aware that he is deemed to have material interest in the Disposal given his relationship with Mr. Yeung. As such, Mr. Standly Yeung did not abstain from voting on the relevant board resolutions to approve the Disposal. Save for Mr. Yeung and Mr. Standly Yeung, no Director was required to abstain from voting on the board resolutions of the Company to approve the Disposal.

Set out below are number of Shares held by Mr. Yeung and his associates individually and in aggregate as at the Latest Practicable Date,

- (i) Mr. Yeung, who was the chairman of the Board and an executive Director at the time of the Disposal and ceased to be an executive Director with effect from 23 November 2017, did not hold any Shares;
- (ii) Mr. Standly Yeung, who is an executive Director and a brother of Mr. Yeung, held 520,000 Shares, representing approximately 0.059% of the issued Shares;
- (iii) Ms. Lam Sze Man, who is the spouse of Mr. Standly Yeung and sister-in-law of Mr. Yeung, held 80,000 Shares, representing approximately 0.009% of the issued Shares; and
- (iv) total number of Shares held by Mr. Yeung and his associates was 600,000 Shares, representing approximately 0.069% of the issued Shares.

Mr. Yeung did not hold any Shares as at the Latest Practicable Date but is considered to have a material interest in the Disposal. As set out above, (i) Mr. Standly Yeung; and (ii) Ms. Lam Sze Man are associates of Mr. Yeung which held Shares as at the Latest

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## LETTER FROM THE BOARD

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Practicable Date (collectively, the “**Interested Associates**”) and are deemed to have a material interest in the Disposal. Save for Mr. Standly Yeung and Ms. Lam Sze Man, associates of Mr. Yeung did not hold any Shares as at the Latest Practicable Date. As such, in the event that Mr. Yeung and his associates (including the Interested Associates) hold Shares at the date of the SGM, each of Mr. Yeung and his associates (including the Interested Associates) will abstain from voting on the resolution(s) in relation to the Disposal and the transactions contemplated thereunder at the SGM. As Mr. Standly Yeung and Ms. Lam Sze Man constitute connected persons under Chapter 14A of the Listing Rules, both of them are considered to have a material interest in the Disposal pursuant to Rule 2.16 of the Listing Rules and, therefore, will abstain from voting on the resolution(s) in relation to the Disposal and the transactions contemplated thereunder at the SGM.

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquires, no Shareholder has a material interest in the Disposal and is required to abstain from voting at the SGM.

### **REMEDIAL ACTION**

The Directors (including the independent non-executive Directors), having been fully informed of the facts of the Disposal, the Previous Acquisitions (comprising the 2015 Previous Acquisitions and the 2017 Previous Acquisition) and the Previous Disposals, consider that the failure to comply with the relevant Listing Rules as discussed previously for the Disposal, the 2015 Previous Acquisitions, the 2017 Previous Acquisition and the Previous Disposals, was inadvertent and can be avoided going forward. The Company takes the incident seriously and has taken the following remedial measures to prevent the re-occurrence of similar incident:

- (i) the Company has provided more detailed guideline and will provide further guidance material and training, in particular, regarding how to define a transaction and proper calculation methodology of the percentage ratios relating to notifiable and connected transactions under the Listing Rules for the Directors, senior management and the finance staffs of the Group in order to strengthen and reinforce their existing knowledge with respect to notifiable and connected transactions;
- (ii) the Company has set up a reporting guideline such that the team head of the Group should evaluate the proposed transactions and report to the company secretary if the proposed transactions may constitute notifiable and/or connected transactions and in case they are in doubt prior to the entering into of those transactions. The company secretary shall further assess the proposed transactions and ensure its reporting obligations as well as submit to the Board for approval. If the transaction is on a recurring basis, a monthly report/update is required to prepare and submit to the company secretary and the board for review/record;
- (iii) a letter will be circulated to all the Directors, company secretary, senior management and staffs of the Group to remind them of strict compliance of the internal control procedures, in particular, to inform and consult the company secretary and/or the legal advisor of the Company (if necessary) before entering into transactions which may constitute notifiable and/or connected transactions;
- (iv) the audit committee of the Board will liaise and discuss in respect of the appointment of an independent professional team to conduct a thorough investigation of and



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## LETTER FROM THE BOARD

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make recommendations to further improve the Company's internal control systems and corporate governance procedures. The Company will also consult with and seek advice from such independent internal control adviser with regards to the implementation of the adviser's recommendations so as to ensure future compliance with the Listing Rules;

- (v) ongoing trainings will be developed and provided by external advisers to the Directors, senior management and relevant employees of the Group at least once annually to familiarise them with the legal and regulatory requirements applicable to the business operations of the Group and to enhance their awareness and knowledge on, and also to allow them to keep abreast of the latest development of the Listing Rules;
- (vi) the Company considers to retain a qualified financial adviser to consult and assist in carrying out compliance matters of the Group relating to the Listing Rules. As such, the Company will work closely with the financial adviser in order that necessary steps can be promptly taken in respect of any potential notifiable transactions, connected transactions and/or continuing connected transactions within the definition of the Listing Rules;
- (vii) the Company will revise the scope of duty and authority of the investment committee to ensure the investment decisions are made in compliance with the Listing Rules and are properly authorised, prudent, and impartial. The scope of duty of the investment committee will include (a) reviewing, monitoring, managing and controlling the investments portfolio; (b) identifying and evaluating potential investments and performing those necessary due diligence exercise; and (c) reporting to the Board regularly to illustrate its work undertaken; and
- (viii) the Company will re-establish the investment policy regarding the investment scope, the investment criteria and the investment procedure, such as all proposed investment decisions should be approved by the investment committee. Letter will also be issued to all the Directors, company secretary and senior management of the Company to remind them of the strict compliance with the investment policy.

### **SGM**

A notice convening the SGM to be held at 11:00 a.m., on Friday, 29 December 2017 at Suites 3401-3413, 34/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong, is set out on pages SGM-1 and SGM-2 of this circular.

The resolution proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the results of the SGM.

A form of proxy for use by the Shareholders at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

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## LETTER FROM THE BOARD

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### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee which comprises of Mr. Fung Chan Man Alex, Mr. Fung Wai Shing, Mr. Zhao Guangming and Mr. Huang Tao, all being the independent non-executive Directors, has been established to advise the Independent Shareholders on the Disposal.

Grand Moore has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal.

### RECOMMENDATION

The Directors (including the independent non-executive Directors whose recommendation is contained in the “Letter from the Independent Board Committee” on page 17 of this circular) are of the view that the Disposal was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends the Independent Shareholders to vote in favour of the proposed ordinary resolution regarding the Disposal, as set out in the notice of the SGM.

### ADDITIONAL INFORMATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” set out on page 17 of this circular which contains its recommendation to the Independent Shareholders on the Disposal; and (ii) the letter of advice from the Independent Financial Adviser set out on pages 18 to 40 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Disposal and the principal factors considered by it in arriving at its advice.

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

Yours faithfully,  
For and on behalf of the Board  
**e-Kong Group Limited**  
**Cheung Ka Heng Frankie**  
*Vice-Chairman and Executive Director*



**e-Kong Group Limited**

*(Incorporated in Bermuda with limited liability)*

*www.e-kong.com*

**(Stock code: 524)**

11 December 2017

*To the Independent Shareholders*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION IN  
RELATION TO THE DISPOSAL OF LISTED SECURITIES**

We refer to the circular issued by the Company to the Shareholders dated 11 December 2017 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the Disposal, details of which are set out in the Circular.

We wish to draw your attention to the letter from the Board set out on pages 1 to 16 of the Circular and the letter from the Independent Financial Adviser containing its advice to us and the Independent Shareholders regarding the Disposal set out on pages 18 to 40 of the Circular.

Having considered the principal factors and reasons considered by and the advice of the Independent Financial Adviser as set out in pages 18 to 40 to the Circular, we are of the view that the Disposal although is not in the ordinary and usual course of business of the Group, the Disposal is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Independent Board Committee  
**e-Kong Group Limited**

**Mr. Fung Chan Man**  
**Alex**  
*Independent  
non-executive  
Director*

**Mr. Fung Wai Shing**  
*Independent  
non-executive  
Director*

**Mr. Zhao  
Guangming**  
*Independent  
non-executive  
Director*

**Mr. Huang Tao**  
*Independent  
non-executive  
Director*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of a letter of advice from Grand Moore Capital Limited, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Disposal which has been prepared for the purpose of inclusion in this Circular.*



11 December 2017

*To the Independent Board Committee and  
the Independent Shareholders*

Dear Sirs,

### **CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF LISTED SECURITIES OF SINGASIA HOLDINGS LIMITED**

#### **INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board ("**Letter from the Board**") contained in the circular dated 11 December 2017 ("**Circular**") issued by the Company, of which this letter forms part.

References are made to the announcements of the Company dated 16 June 2017 and 21 July 2017 and 6 October 2017 ("**Announcements**") in relation to (i) the connected transaction for the Disposal of 5,700,000 SingAsia Shares ("**Entire Shareholding**") (Stock code: 8293) by e-Kong Pillars Holdings Limited (a wholly-owned subsidiary of the Company) ("**Vendor**") to Mr. Yeung Chun Wai, Anthony ("**Mr. Yeung**") on 9 June 2017 ("**Disposal Date**") at the average price of approximately HK\$7.316 per SingAsia Share ("**Executed Price**") amounted to HK\$41,701,000 ("**Disposal**"); (ii) the failure of the Company in seeking for Independent Shareholders' approval for the Disposal which constituted a breach of Rule 14A.36 of the Listing Rules; and (iii) the Undertaking which will result in the agreed price of the Disposal to be set at the Executed Price instead of the Initial Price of HK\$4.65 per SingAsia Share. Capitalised terms used in this letter shall have the same meanings as defined in the Circular and the Announcements unless the context requires otherwise.

Pursuant to the announcement dated 16 June 2017, Mr. Yeung, being the chairman of the Board and an executive Director at the time of the Disposal and ceased to be an executive Director with effect from 23 November 2017, is and was at the material times a connected person to the Company, and the Disposal constituted a connected transaction, pursuant to Chapter 14A of the Listing Rules. Pursuant to the announcement dated 21 July 2017, the Board noted that one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 5%, but all applicable percentage ratios are less than 25%, the Disposal constituted a discloseable transaction and connected transaction

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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for the Company under the Listing Rules. Therefore, the Disposal is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules and the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Due to the miscalculation of the applicable percentage ratios, the Disposal has not been approved by the Independent Shareholders. As such, the Company has failed in complying with 14A.36 of the Listing Rules. Accordingly, an SGM will be convened for the purpose of rectifying on the omission of the approval of the Independent Shareholders on the Disposal and the transactions contemplated thereunder.

As Mr. Yeung is considered to have a material interest in the Disposal, he had abstained from voting on the relevant board resolutions to approve the Disposal. Mr. Standly Yeung, the brother of Mr. Yeung, is an associate of Mr. Yeung. Therefore, Mr. Standly Yeung had a material interest in the Disposal. Given that Mr. Standly Yeung was not a party to the Disposal, he was not aware that he is deemed to have material interest in the Disposal given his relationship with Mr. Yeung. As such, Mr. Standly Yeung did not abstain from voting on the relevant board resolutions to approve the Disposal. Save for Mr. Yeung and Mr. Standly Yeung, no Director was required to abstain from voting on the board resolutions of the Company to approve the Disposal.

Set out below are number of Shares held by Mr. Yeung and his associates individually and in aggregate as at the Latest Practicable Date,

- (i) Mr. Yeung, the chairman of the Board and an executive Director at the time of the Disposal, did not hold any Shares;
- (ii) Mr. Standly Yeung, who is an executive Director and a brother of Mr. Yeung, held 520,000 Shares, representing approximately 0.059% of the issued Shares;
- (iii) Ms. Lam Sze Man, who is the spouse of Mr. Standly Yeung and sister-in-law of Mr. Yeung, held 80,000 Shares, representing approximately 0.009% of the issued Shares; and
- (iv) total number of Shares held by Mr. Yeung's associates was 600,000 Shares, representing approximately 0.069% of the issued Shares.

Mr. Yeung did not hold any Shares as at the Latest Practicable Date but is considered to have a material interest in the Disposal. As set out above, (i) Mr. Standly Yeung; and (ii) Ms. Lam Sze Man are associates of Mr. Yeung which held Shares as at the Latest Practicable Date (collectively, "**Interested Associates**") and are deemed to have a material interest in the Disposal. Save for Mr. Standly Yeung and Ms. Lam Sze Man, associates of Mr. Yeung did not hold any Shares as at the Latest Practicable Date. As such, in the event that Mr. Yeung and his associates (including the Interested Associates) hold Shares at the date of the SGM, each of Mr. Yeung and his associates (including the Interested Associates) will abstain from voting on the resolution(s) in relation to the Disposal and the transactions contemplated thereunder at the SGM. As Mr. Standly Yeung and Ms. Lam Sze Man constitute connected persons under Chapter 14A of the Listing Rules, both of them are considered to have a material interest in the Disposal pursuant to Rule 2.16 of the Listing Rules and, therefore, will abstain from voting on the resolution(s) in relation to the Disposal and the transactions contemplated thereunder at the SGM.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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An Independent Board Committee comprising of four independent non-executive Directors of the Company, Mr. Fung Chan Man, Alex, Mr. Fung Wai Shing, Mr. Zhao Guangming and Mr. Huang Tao who have no direct or indirect interest in the Disposal has been formed to advise the Independent Shareholders on (i) whether the terms of the Disposal at an average price of approximately HK\$7.316, were fair and reasonable and are on normal commercial terms, in the ordinary course of the business of the Company; (ii) whether the Disposal was in the interest of the Company and the Shareholders as a whole; and (iii) whether the Independent Shareholders shall vote in favour of the Disposal as required by Rule 14A.45 of the Listing Rules. We, Grand Moore Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Disposal pursuant to Rule 14A.39. The appointment of us as the Independent Financial Adviser have been approved by the Independent Board Committee.

### OUR INDEPENDENCE

As at the Latest Practicable Date, we were not connected with the Company or any of their respective substantial shareholders, directors or chief executives, or any of their respective associates, or any party acting, or presumed to be acting, in concert with any of them and accordingly, are considered suitable to give independent advice to the Independent Board Committee in respect of the Disposal. In the last two years, we have not acted as any financial adviser role to the Independent Board Committee of the Company. Apart from normal professional fees paid or payable to us in connection with the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, its subsidiaries, their respective controlling shareholders or any other party acting or presumed to be acting in concert with any of them that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser to the Independent Board Committee in respect of the Disposal.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company. We have assumed that all information and representations that have been provided by the Directors and the management of the Company, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, the management of the Company (where applicable), which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Disposal. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Chapter 14A of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

The information contained in the Circular relating to the Disposal and its intention has been supplied by the Directors.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice. We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Company, or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Disposal. The Company has been separately advised by its own professional advisers with respect to the Disposal and the preparation of the Circular (other than this letter).

We have assumed that the Disposal will be consummated in accordance with the terms and conditions set forth in the Circular without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Disposal, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Disposal. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Grand Moore Capital Limited to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### THE DISPOSAL

#### Background

On 9 June 2017, the Vendor and Mr. Yeung entered into a sale and purchase agreement, pursuant to which the Vendor agreed to sell and Mr. Yeung agreed to buy 5,700,000 SingAsia Shares at the Initial Price of HK\$4.65 per SingAsia Share. The aggregate consideration for the Disposal based on the Initial Price amounted to HK\$26,505,000 (exclusive of transaction costs). Despite that the agreed price for the Disposal being HK\$4.65 per SingAsia Share, Mr. Yeung executed the Disposal by buying the SingAsia Shares in the market from the Vendor at the prevailing market prices in three tranches, resulting in buying a total 5,700,000 SingAsia Shares at an aggregate consideration of \$41,701,000 at an average price of approximately HK\$7.316 per SingAsia Share. Prior to the execution of the Undertaking on 6 October 2017, it is intended that the balance of the Initial Price and the Executed Price (“**Balance**”) would be refunded by the Company to Mr. Yeung after the transaction (“**Refund Mechanism**”).

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **The Undertaking**

Subsequently, after taking into account (i) concern of the Stock Exchange towards the Refund Mechanism; (ii) the Disposal which was executed at the Executed Price would provide greater amount of proceeds to the Group than based on the Initial Price; and (iii) Mr. Yeung's willingness for not demanding refund of the Balance, the Board considers that it will be in the best interest of the Group not to implement the Refund Mechanism. In this regards, the Undertaking was executed on 6 October 2017, pursuant to which, the Refund Mechanism will not be implemented as Mr. Yeung will not demand refund of the Balance conditional upon approval of the Disposal by the Independent Shareholders. Following execution of the Undertaking, it has resulted in the agreed price of the Disposal being amended from the Initial Price to the Executed Price.

In the event that the Disposal is not approved by the Independent Shareholders, pursuant to the Undertaking, Mr. Yeung agreed to return all 5,700,000 SingAsia Shares to the Vendor in exchange for the return of the aggregate consideration previously paid to the Vendor by Mr. Yeung.

As set out in the Letter of the Board and confirmed by the management of the Company, save for the 2017 Previous Acquisition (as defined below) and the Previous Disposals (including the Disposal) (details are set out in the section headed "Previous Transactions with Mr. Yeung"), the Company did not have any other transaction with Mr. Yeung in the last 12 months prior to the Disposal Date.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Disposal, we have taken into consideration the following principal factors and reasons:

#### **Background information of the Company**

The principal activity of the Company is investment holding. The Group currently has a portfolio of business interests in the telecommunications, information technology, financial solution, software development and distribution sectors in Hong Kong, Singapore and the PRC.

The Group's revenue for the year ended 31 December 2016 consisted primarily of revenue generated from these operations. While the Group is actively looking for new investment opportunities, the Group is trying to utilize its cash position by investing in the securities market.

#### **Background information for the Disposal**

##### **(1) The Disposal**

The principal terms of the Disposal are set out as follows:

##### **Date**

9 June 2017



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Parties

- (i) the Vendor (a wholly-owned subsidiary of the Company); and
- (ii) Mr. Yeung, as the purchaser.

### Assets disposed of

The Group sold 5,700,000 SingAsia Shares, representing approximately 2.28% of the entire issued share capital of SingAsia as at the date of the Disposal and the Latest Practicable Date.

Upon completion of the Disposal, the Company does not hold any SingAsia Shares.

### Consideration

The price for the Disposal (as amended as a result of the Undertaking) is equivalent to the Agreed Disposal Price of approximately HK\$7.316 per SingAsia Share and the aggregate consideration amounted to HK\$41,701,000 (exclusive of transaction costs), which was settled in cash. Mr. Yeung has bought a total 5,700,000 SingAsia Shares in the market from the Vendor at the then market prices at an average price of approximately HK\$7.316 per SingAsia Share, a total of HK\$41,701,000 (exclusive of transaction costs) was received by the Vendor.

The consideration for the Disposal (as amended as a result of the Undertaking) was determined after arm's length negotiations between the parties with reference to the historical trading price and trading volume of SingAsia Shares.

### Acquisition price of the disposed SingAsia Shares

The Group held those 5,700,000 SingAsia Shares for 12 months or less before the Disposal. During the period from 12 December 2016 to 22 March 2017, the Group purchased an aggregate of 5,700,000 SingAsia Shares in the open market through Kingston Securities Limited ("**Kingston**"), a securities broker of the Group, at purchase prices ranged between HK\$2.33 and HK\$4.56 per SingAsia Share with aggregate consideration of HK\$19,562,000 (exclusive of transaction costs) ("**Acquisition**"). Set out below are the details of the Acquisition:

Date of transaction	Number of SingAsia Shares purchased	Acquisition price per SingAsia Share (Note 1) HK\$	Seller (Note 2)
12 December 2016	1,000,000	2.33	Unknown
14 December 2016	1,000,000	2.56	Unknown
20 December 2016	1,000,000	2.42	Unknown
20 March 2017	700,000	4.56	Unknown
22 March 2017 (Note 3)	2,000,000	4.53	Mr. Yeung
<b>Total:</b>	<b>5,700,000</b>		

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*Notes:*

1. Price of acquisition for each SingAsia Share by the Group excluded transaction costs.
2. The Acquisition was made by the Group at the relevant time in the open market through Kingston, a securities broker of the Group ("**Arrangement**"). As such, the Group was not aware of the identities of the sellers of the SingAsia Shares under the Arrangement. In addition, conducting the Acquisition under the Arrangement is a common market practice and is a normal practice of the Group for trading of listed securities. On the contrary, it will be unusual for the Group to identify the counterparties for transactions conducted under the Arrangement.
3. At the time of Acquisition, the Group was not aware of the identity of the seller. It first came to the attention of the Group that Mr. Yeung might be the seller in October 2017 ("**Matter**"). In the course of the Group's investigation regarding the Matter and after reviewing the securities account statements of the Vendor and Mr. Yeung, in early November 2017, the Group noted that Mr. Yeung was the seller. Acquisition of this batch of SingAsia Shares constituted part of the Previous Acquisitions.

### (2) Previous Transactions with Mr. Yeung

Reference is made to the announcement of the Company dated 24 November 2017. Save for the Disposal, only until early November 2017 and in the course of investigation of the Matter, did the Company notice that several acquisitions ("**Previous Acquisitions**") and disposals ("**Previous Disposals**") of listed securities by the Vendor in the open market were actually transacted with Mr. Yeung. Details of which are set out below:

#### Previous Acquisitions:

During the period from August 2015 to March 2017, acquisitions of the following listed securities by the Vendor in the open market were transacted with Mr. Yeung:

Name of investee company & stock code	Date of transaction	Number of shares purchased	Total consideration (exclusive of transaction costs) HK\$	Buyer and its broker	Seller and its broker
<b>In 2015</b>					
Kingston Financial Group Limited (stock code: 1031) (" <b>2015 Previous Acquisition 1</b> ")	17 August 2015	3,972,000	11,161,320	The Vendor (broker: Kingston)	Mr. Yeung (broker: Enlighten Securities Limited (" <b>Enlighten</b> "))
Sincere Watch (Hong Kong) Limited (stock code: 444) (" <b>2015 Previous Acquisition 2</b> ")	9 September 2015	7,100,000	9,978,600	The Vendor (broker: Kingston)	Mr. Yeung (broker: Enlighten)
	5 October 2015	8,720,000	7,935,200	The Vendor (broker: Kingston)	Mr. Yeung (broker: Enlighten)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Name of investee company & stock code	Date of transaction	Number of shares purchased	Total consideration (exclusive of transaction costs) HK\$	Buyer and its broker	Seller and its broker
Tech Pro Technology Development Limited (stock code: 3823) ("2015 Previous Acquisition 3")	5 October 2015	4,440,000	7,992,000	The Vendor (broker: Kingston)	Mr. Yeung (broker: Enlighten)
<b>In 2017</b>					
SingAsia (stock code: 8293) ("2017 Previous Acquisition")	22 March 2017	2,000,000	9,060,000	The Vendor (broker: Kingston)	Mr. Yeung (broker: The Hong Kong and Shanghai Banking Corporation Limited ("HSBC"))

### Previous Disposals:

During the period from December 2016 to June 2017, disposals of the following listed securities by the Vendor in the open market were transacted with Mr. Yeung:

Name of investee company & stock code	Date of transaction	Number of shares disposed	Total consideration (exclusive of transaction costs) HK\$	Buyer and its broker	Seller and its broker
Beijing Enterprises Clean Energy Group Limited (stock code: 1250) ("Previous Disposal 1")	14 December 2016	7,000,000	1,329,060	Mr. Yeung (broker: Union Bancaire Privee, UBP SA ("UBP"))	The Vendor (broker: Kingston)
The Disposal	9 June 2017	5,700,000 SingAsia Shares	41,701,000	Mr. Yeung (broker: HSBC)	The Vendor (broker: Kingston)
Beijing Gas Blue Sky Holdings Limited (stock code: 6828) ("Previous Disposal 2")	12 June 2017	26,256,000	13,653,120	Mr. Yeung (broker: HSBC and UBP)	The Vendor (broker: Kingston)

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The Previous Acquisitions comprised of (i) three acquisitions which took place in 2015, namely, the 2015 Previous Acquisition 1, the 2015 Previous Acquisition 2 and the 2015 Previous Acquisition 3 (collectively, “**the 2015 Previous Acquisitions**”); and (ii) one acquisition which took place in 2017, being the 2017 Previous Acquisition. As the 2015 Previous Acquisitions were entered into within a 12-month period, they shall be aggregated in accordance with Rule 14.22 of the Listing Rules. The 2017 Previous Acquisition took place on 22 March 2017, being a time, which exceeded a 12-month period from the 2015 Previous Acquisition 3 which took place on 5 October 2015. As such, the 2017 Previous Acquisition shall not be aggregated with the 2015 Previous Acquisitions.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the 2015 Previous Acquisitions on an aggregate basis were more than 5% but less than 25%, the 2015 Previous Acquisitions constituted discloseable transactions for the Company under the Listing Rules. In addition, given that Mr. Yeung is a connected person of the Company at the relevant time, the 2015 Previous Acquisitions also constituted connected transactions. The total consideration of the 2015 Previous Acquisitions was more than HK\$10,000,000, which exceeded the de minimis threshold under Rule 14A.76(2) of the Listing Rules. Therefore, the 2015 Previous Acquisitions were subject to the reporting, announcement, circular, independent shareholders’ approval, setting up of the independent board committee and appointment of independent financial adviser requirements under Rule 14.34, Rule 14A.35, Rule 14A.36, Rule 14A.39, Rule 14A.45, Rule 14A.46 and Rule 14A.49 of the Listing Rules. However, due to inadvertent oversight, the Company has failed in complying with such requirements and constituted a breach of such Listing Rules at the material time.

As all the applicable percentage ratios (as defined under the Listing Rules) in respect of the 2017 Previous Acquisition were less than 5% while the consideration exceeded HK\$3,000,000, the 2017 Previous Acquisition fell under Rule 14A.76(2) of the Listing Rules and was therefore exempted from the circular and independent shareholders’ approval requirements and only subject to the reporting and announcement requirements pursuant to Rule 14A.35 and 14A.49 of the Listing Rules. However, due to inadvertent oversight, the Company has failed to make timely disclosure of the 2017 Previous Acquisition and constituted a breach of Rule 14A.35 of the Listing Rules.

The Previous Disposals comprised of three disposals, namely the Previous Disposal 1, the Disposal and the Previous Disposal 2 which took place on 14 December 2016, 9 June 2017 and 12 June 2017 respectively. As the Previous Disposals were entered into within a 12-month period, they shall be aggregated in accordance with Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Previous Disposals on an aggregate basis were more than 5% but less than 25%, the Previous Disposals constituted discloseable and connected transactions for the Company under the Listing Rules. The aggregate consideration of the Previous Disposals was more than HK\$10,000,000, which exceeded the de minimis threshold under Rule 14A.76(2) of the Listing Rules. Therefore, the Previous Disposals were subject to the reporting, announcement, circular, independent shareholders’ approval requirements, setting up of the independent board committee and appointment of independent financial adviser under Rule 14.34, Rule 14A.35, Rule 14A.36, Rule 14A.39, Rule 14A.45, Rule 14A.46 and Rule

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14A.49 of the Listing Rules. However, due to inadvertent oversight, the Company has failed in complying with the aforesaid requirements (except for Rule 14A.49 of the Listing Rules where annual reporting of the Previous Disposals will have to be made in the forthcoming annual report of the Group for the year ending 31 December 2017) and constituted a breach of relevant Listing Rules at the material time.

Save for the Disposal, the Company was not aware of the Previous Acquisitions, the Previous Disposal 1 and the Previous Disposal 2 until early November 2017.

The Previous Acquisitions, the Previous Disposal 1 and the Previous Disposal 2 were completed and concerned shares thereunder were no longer held by the Vendor. As such, Independent Shareholders approval will only be sought for the Disposal at the SGM.

### (3) Use of the Sales Proceeds from the Disposal

The purpose of the Disposal is to realize investment gain and raise additional capital. As a result of the Disposal, the Group will realize a gain of HK\$22,139,000 which is calculated on the basis of the difference between the original aggregate acquisition costs and the consideration for the Disposal at the Executed Price (exclusive of transaction costs). The net proceeds from the Disposal will be approximately HK\$41.6 million. As per our enquiry with the management of the Company, the Group intends to use the net sale proceeds of the Disposal for (i) settlement of the Repayment (as defined below), being remaining balance of the cash consideration of approximately HK\$37.2 million for the acquisition of Diamond Frontier Investment Limited as detailed in (4) below; and (ii) the remaining balance of approximately HK\$4.4 million for general working capital of the Group, such as office rent, property management fees, salaries and wages and operating and administrative expenses.

### (4) Imminent cash need of the Group

Having enquired with the management of the Group, the Group has an imminent cash need to settle the balance of the cash consideration for the acquisition of Diamond Frontier Investment Limited ("**Diamond Frontier Acquisition**"). According to the announcement of the Company dated 24 June 2016 in relation to the Diamond Frontier Acquisition, on 24 June 2016, Stage Charm Limited ("**Stage Charm**"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Summer Beach International Limited ("**Summer Beach**"), an independent third party. Pursuant to the sale and purchase agreement, Stage Charm agreed to purchase the entire issued share capital of Diamond Frontier Investment Limited at a consideration of RMB80 million (equivalent to approximately HK\$94 million). The consideration shall be paid by Stage Charm to Summer Beach (a) HK\$57 million ("**Deposit**") as a deposit to the Summer Beach on the execution date of the sale and purchase agreement; and (b) the balance of the consideration of approximately HK\$37.2 million ("**Repayment**") shall be paid to Summer Beach on or before 30 December 2016. We have reviewed the remittance advice of the Company and confirmed that the Deposit had been paid on 27 June 2016 or the execution date of the sales and purchase agreement, while the Repayment, being unsecured, interest-free and payable, would be postponed to 30 June 2017.

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We have reviewed the May and June 2017 management accounts of the Group and noted that the unrestricted cash and bank position of the Company was approximately HK\$27.3 million and HK\$96.9 million (including approximately HK\$41.7 million and HK\$15.4 million from net proceeds of the Disposal and sales proceeds of available-for-sale (“**AFS**”) securities of the Company, respectively) as at 31 May 2017 and 30 June 2017, respectively.

In fact, the Company had sold most of its AFS securities (approximately HK\$15.4 million) in June 2017 in order to raise cash for the Repayment, without the proceeds from the Disposal at actual Executed Price of approximately HK\$41.7 million (being restricted cash subject to the passing of the resolution at the SGM), the Company would have only approximately HK\$55.2 million at 30 June 2017, which was insufficient to meet the Repayment of approximately HK\$37 million, and its working capital needs of approximately HK\$3 million per month on the holding company level for the next twelve months, which is amounted to approximately HK\$36 million, in the absence of other fund-raising alternatives.

Up to the Latest Practicable Date, due to not being able to utilise the funds received from the Disposal pending the passing of the resolution at the SGM to be held on 29 December 2017, the Repayment to Summer Beach had been lapsed and the Company has negotiated with Summer Beach to further extend the deadline for the Repayment to 31 December 2017.

In view of the foregoing, we concur with the Board that the Company had a genuine imminent cash needs on 30 June 2017 for the Repayment as well as the short term working capital needs for the next twelve months in the absence of other fund-raising alternatives.

### **(5) Financing alternatives available to the Company**

#### *Rights issue and open offer*

For our due diligence purpose, we have made enquires towards the management of the Company and are advised that the Directors would exercise due and careful consideration when choosing the best financing method available to the Group. We note that a rights issue or an open offer would give an opportunity to all Shareholders to participate in the subscription for new Shares to be issued by the Company. However, the Directors advised us that due to the existing loss position of the Company and the thin trading volume of the Shares, the Company encountered difficulties in finding an independent underwriter in Hong Kong who was interested to fully underwrite a rights issue or an open offer of the Company for raising the proposed amount of funds. In addition, it would incur additional costs in underwriting commissions and possibly require a relatively longer time to complete, which may cause the Company to fail in financing the Repayment in a timely manner.

#### *Shares placement*

Regarding the viability of placement of new Shares in Hong Kong to independent investors, the Directors advised us that given the recent placing activities of the Company as set out in the section headed “Equity fund raising activities in the twelve months immediately prior to the Disposal” below, independent investors may find the

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placement of new Shares less attractive after having equity fund raising activities carried out in the past twelve months prior to the Disposal given the loss position of approximately HK\$81 million of the Group for the year ended 31 December 2016. As such, having considered the independent investors' interests in equity private placement has been declined, we concur with the management that the Company would be getting more difficult to find a placing agent in Hong Kong for a placement of new Shares with acceptable placing fee and on a fully underwritten basis.

However, as stated in the Letter from the Board, the Company would consider the feasibility of placing new Shares and/or requesting the Substantial Shareholder to provide funding commitment where (i) on normal commercial terms or better; and (ii) no security will be involved, all of which the Substantial Shareholder has preliminary agreed if needed.

### *Debt financing*

Apart from equity financing, the Directors also considered other financing alternatives such as debt financing and bank borrowings. We were advised that given (i) the Company reported net loss of approximately HK\$81 million for the year ended 31 December 2016 and (ii) the lack of sufficient fixed assets to pledge to the banks, the Company faces difficulties to negotiate with banks for financing. Even though the Company may be able to obtain loans for short term purpose, it may be subject to lengthy due diligence and negotiations with different banks or financial institutions and the interests rates are expected to be relatively high which leads to an adverse impact on the gearing ratio and overall financial performance of the Group.

Taking into account of the above, in particular, the difficulties for the Company (i) to secure loan facilities from financial institutions at favourable financing terms given its consistent loss-making performance and deteriorating net current asset position; and (ii) to procure underwriter(s) for the pre-emptive issues, or even if such an independent underwriter was identified, the rights issue or open offer would possibly incur costly underwriting commission and time, we concur with the Directors' view that the Disposal is the more preferable method of fund raising to settle the imminent cash needs, in particular, the Repayment for the Group as of the Latest Practicable Date.

### **(6) Equity fund raising activities in the twelve months immediately prior to the Disposal**

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds raised (approximately)</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
31 October 2016	Placing of	HK\$55 million	(i) approximately HK\$12 million will be used	(i) approximately
3 November 2016	145,880,000		for operation	HK\$22 million was
	new Shares		expenses and staff	used for operation
	under general		costs (including	expenses and staff
18 November 2016	mandate		year-end bonuses)	costs (including
			which will be applied	year-end bonuses)
			by end of December	which applied by end
			2016 or January	of December 2016 or
			2017;	January 2017;

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Date of announcement	Event	Net proceeds raised <i>(approximately)</i>	Intended use of proceeds	Actual use of proceeds
			(ii) approximately HK\$3 million will be applied for professional fees incurred in connection with the investment in Flash Hope Holdings Limited and year-end audit of the Company;	(ii) approximately HK\$1.9 million was applied for professional fees incurred in connection with the investment in Flash Hope Holdings Limited; and
			(iii) approximately HK\$15 million as working capital for the Group's business operation expenses for the first half-year of 2017; and	(iii) approximately HK\$31.1 million as working capital for the Group's business operation expenses for the first half-year of 2017.
			(iv) approximately HK\$25 million of the net proceeds from the Placing to fund the further development of the Group's IT and cloud-based solutions businesses and wireless communication opportunities in Singapore and neighbouring countries.	

Save as disclosed above, the Company had not conducted any equity fund raising exercises in the past twelve months immediately preceding the Disposal.

Based on the table provided by the Company, we are of the view that all proceeds from the fund raising activities conducted in the past twelve months have been fully utilised and there was no material unused balance left for the Company as at the Latest Practicable Date.

### (7) Financial information of SingAsia

According to publicly available information, SingAsia is a company incorporated in the Cayman Islands whose issued shares are listed on Growth Enterprise Market of the Stock Exchange ("**GEM**") (Stock code: 8293).

According to the annual report of SingAsia available on the website of the Stock Exchange, the SingAsia Group is principally engaged in providing manpower outsourcing services, manpower recruitment services and manpower training services based in Singapore.



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Set out below is a summary of the audited financial information of SingAsia for the three years ended 31 July 2015, 2016 and 2017 as extracted from the annual report of SingAsia for the year ended 31 July 2016 and 2017:

	Twelve months ended 31 July 2017 SGD (audited)	Twelve months ended 31 July 2016 SGD (audited)	Twelve months ended 31 July 2015 SGD (audited)
Revenue	18,654,727	20,833,182	19,320,989
Profit/(loss) before tax	(897,691)	(1,362,167)	2,237,320
Profit/(loss) after tax	(618,512)	(1,297,161)	2,111,116

As at 31 July 2017, the audited consolidated net asset value (“NAV”) of SingAsia was SGD10,243,657 as extracted from the annual report of SingAsia for the twelve months ended 31 July 2017. Based on the number of SingAsia shares in issue of 250,000,000 as at the Latest Practicable Date, the audited NAV per SingAsia Share was SGD0.0410, or approximately HK\$0.24 calculated at an exchange rate of HK\$5.7595 per SGD 1 as at 31 July 2017.

As depicted above, the financial performance of SingAsia went from profits to losses in since the twelve months ended 31 July 2015.

### (8) Comparison with the Executed Price

the Executed Price of HK\$7.316 per SingAsia Share represents:

- (i) a discount of approximately 47.7% to the closing price of HK\$14.0 per SingAsia Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (ii) a discount of approximately 1.8% to the closing price of HK\$7.45 per SingAsia Share as quoted on the Stock Exchange on the 9 June 2017 (“**Last Trading Day**”);
- (iii) a premium of approximately 0.08% to the average closing price of HK\$7.31 per SingAsia Share as quoted on the Stock Exchange for the 5 consecutive trading days prior to the Last Trading Day;
- (iv) a premium of approximately 8.71% to the average closing price of HK\$6.73 per SingAsia Share as quoted on the Stock Exchange for the 10 consecutive trading days prior to the Last Trading Day;
- (v) a premium of approximately 26.79% to the average closing price of HK\$5.77 per SingAsia Share as quoted on the Stock Exchange for the 30 consecutive trading days prior to the Last Trading Day; and

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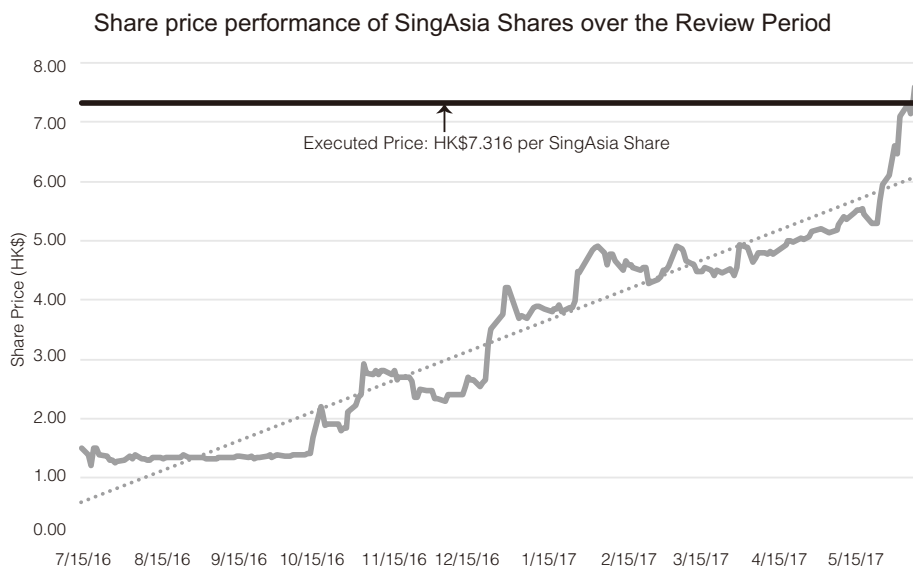
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- (vi) a premium of approximately 2,948.33% over the audited consolidated NAV (“NAV Premium”) per SingAsia Share of SGD0.0410 as at 31 July 2017, or approximately HK\$0.24 calculated at an exchange rate of HK\$5.7595 per SGD 1 as at 31 July 2017, the date of the 2017 annual report of SingAsia.

### (9) Historical trading volume and price performance of SingAsia Shares

#### (i) Historical price performance of SingAsia Shares

Set out below is a chart showing the movement of the closing prices of the SingAsia Shares during the period from 15 July 2016 (the date on which SingAsia Shares were first listed on GEM, “IPO Date”) up to 9 June 2017, the Last Trading Day (“Review Period”), which covers an approximate eleven months period prior to the Last Trading Day to illustrate the general trend and the level of movement of the closing prices of SingAsia Shares:



Source: Bloomberg

During the Review Period, the closing prices of SingAsia Shares fluctuated in a range between HK\$1.21 and HK\$7.59. The closing price of SingAsia Shares rose significantly from HK\$1.50 as at 15 July 2016 to HK\$7.59 as at 8 June 2017 (“Price Hike”), and further to HK\$7.45 as at 9 June 2017 within a period of less than eleven months, with most of the Price Hike occurred after 20 April 2017. Thereafter, the closing prices continued to rise to HK\$8.15 as at 30 June 2017 and remained at a relatively high level (i.e. around HK\$8.00) and rose significantly to HK\$14 as at the Latest Practicable Date. There was approximately 4.4% increase in the closing price immediately after the publication of the Announcement on 16 June 2017 in relation to the Disposal on 9 June 2017 and there has been a rising trend from \$7.78 per SingAsia Share on 16 June 2017 to \$14.00 per SingAsia Share on the Latest Practicable Date, represented an upsurge of approximately 80.0% in the closing prices of SingAsia Shares until the Latest Practicable Date.

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During the Review Period, we noted that the lowest and highest closing price of SingAsia Shares as quoted on the Stock Exchange was HK\$1.21 on 19 July 2016 and HK\$7.59 on 8 June 2017, which is approximately 83.5% lower and 3.7% higher than the Executed Price of HK\$7.316, alongside a rising trend of SingAsia share prices during the Review Period. We also noted that the mean of the highest and lowest closing prices of SingAsia Shares during the Review Period was approximately HK\$3.33 (“**Mean**”), and the Executed Price of HK\$7.316 was approximately 119.7% above the Mean during the Review Period, in other words, the Executed Price is already much better than the Mean during the Review Period.

(ii) *Historical trading liquidity/volume of SingAsia Shares*

The average daily number of SingAsia Shares traded per month (“**Average Volume**”), and the respective percentages of the Average Volume as compared to (i) the total number of issued SingAsia Shares held by the public as at the Latest Practicable Date; and (ii) the total number of issued SingAsia Shares as at the Latest Practicable Date are tabulated below:

Month	No. of trading days in each month <i>Number of days</i>	Average Volume <i>Number of shares</i>	% of the Average Volume to total number of issued SingAsia Shares held by the public as at the Latest Practicable Date	% of the Average Volume to the total number of issued SingAsia Shares as at the Latest Practicable Date
			<i>(Note 1)</i>	<i>(Note 2)</i>
			%	%
<b>2016</b>				
July	11	1,945,909	3.11%	0.78%
August	22	116,364	0.19%	0.05%
September	21	95,952	0.15%	0.04%
October	19	401,842	0.64%	0.16%
November	22	158,636	0.25%	0.06%
December	20	2,859,940	4.57%	1.14%
<b>2017</b>				
January	19	392,789	0.63%	0.16%
February	20	227,000	0.36%	0.09%
March	23	680,217	1.09%	0.27%
April	17	187,647	0.30%	0.08%
May	20	355,000	0.57%	0.14%
June	22	716,364	1.14%	0.29%
July	21	90,333	0.14%	0.04%
August	22	330,500	0.53%	0.13%
September	21	508,476	0.81%	0.20%
October	20	484,045	0.77%	0.19%
November	22	357,045	0.57%	0.14%
December (including and up to the Latest Practicable Date)	4	216,250	0.35%	0.09%

Source: *The Stock Exchange web-site (www.hkex.com.hk)*

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Notes:

1. Based on 62,640,000 Shares held by the public as at the Latest Practicable Date.
2. Based on 250,000,000 Shares in issue as at the Latest Practicable Date.

We noted from the above table that the Average Volume in SingAsia Shares was thin (below 1% of the total number of issued SingAsia Shares held by the public as at the Latest Practicable Date) during the Review Period and up to the Latest Practicable Date, except for July 2016 (when the IPO took place), December 2016, March 2017 and June 2017 (when the Disposal occurred).

- (iii) The table below sets out the daily trading volume of SingAsia Shares for the ten trading days immediately after the Disposal Date:

Date	Daily trading volume	Share price
12/06/2017	110,000	7.63
13/06/2017	170,000	7.65
14/06/2017	4,535,000	7.45
15/06/2017	550,000	7.53
16/06/2017	1,130,000	7.78
19/06/2017	295,000	7.88
20/06/2017	150,000	7.85
21/06/2017	630,000	7.87
22/06/2017	50,000	7.88
23/06/2017	145,000	7.90
<b>Average trading volume/ Average share price</b>	<b>776,500</b>	<b>7.74</b>

Source: The Stock Exchange web-site ([www.hkex.com.hk](http://www.hkex.com.hk))

We noted from the above table that the trading volume of SingAsia Shares amounted to approximately 7.8 million for the ten days immediately after the Disposal, which apparently was sufficient to cover the Company's proposed disposal of its Entire Shareholding of 5.7 million SingAsia Shares. We also noted that there were two days, 14 June 2017 and 16 June 2017, which are within five trading days after the Disposal that had trading volume exceeding 1 million SingAsia Shares. From AASTOCKS.com, we noted that the large trading volume on 14 June 2017 was in line with the release of the negative news that SingAsia had a net loss position for the three quarters ended 30 April 2017.

However, the above deduction is only a hindsight after the Disposal which the Board did not have at the time of the Disposal and it had to rely on past transaction volume to estimate the time required to dispose the Entire Shareholding. We have taken the average daily trading volume of 776,500 SingAsia Shares for the 10-trading days immediately after the Disposal Date (which represented only 1.2% of the total number of issued SingAsia Shares held by the public as at the Latest Practicable Date) as the proxy for the recent

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daily transaction volume preceding the Disposal, and arrived at the result that it could have taken the Company a period of 7-trading days or more to dispose of its Entire Shareholding, the completion of which might have exceeded the deadline for the Repayment at that time.

- (iv) The table below sets out the daily trading volume of SingAsia Shares for the ten trading days immediately prior to the Latest Practicable Date:

Date	Daily trading volume	Share price
22/11/2017	135,000	9.85
23/11/2017	255,000	9.85
24/11/2017	–	9.85
27/11/2017	–	9.85
28/11/2017	570,000	10
29/11/2017	410,000	10
30/11/2017	310,000	10.8
1/12/2017	180,000	11.16
4/12/2017	295,000	12
5/12/2017	160,000	13
<b>Average trading volume/ Average share price</b>	<b>231,500</b>	<b>10.64</b>

Source: The Stock Exchange web-site ([www.hkex.com.hk](http://www.hkex.com.hk))

We noted from the above table that the trading volume of SingAsia Shares amounted to approximately 2.3 million for the ten days immediately prior to the Latest Practicable Date, which apparently requires about 25 trading days or more to cover the Company's proposed Disposal. We have taken the average daily trading volume of 231,500 SingAsia Shares for the 10-trading days immediately prior to the Latest Practicable Date (which represented approximately only 0.4% of the total number of issued SingAsia Shares held by the public as at the Latest Practicable Date) as the proxy for the recent daily transaction volume preceding the Disposal, and arrived at the result that it could have taken the Company a period of 25-trading days or more to dispose of its Entire Shareholding.

In light of the foregoing (i), (ii), (iii) and (iv), despite a general rising price trend of SingAsia Shares for the Review Period, we consider that SingAsia Shares are generally illiquid with thin Average Volume during the Review Period, thus we concur with the Board's view that it might be difficult to dispose of the Entire Shareholding of SingAsia Shares one-off in the open market on the Disposal Date without depressing the share price at the time of the Disposal. As such, the Directors chose to dispose the Entire Shareholding to Mr. Yeung at the time of the Disposal.

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**(10) Comparables to the Disposal transaction taken place from 10 June 2016 to 9 June 2017**

	Announcement Date (from 10 June 2016 to 9 June 2017)	Stock Code	Assets Disposed	Stock Code of the shares disposed	% to the issued share capital at disposal date	Basis	Discount /Premium
1	17/5/2017	1830	235,000 shares	700	0.002%	Market price	–
2	12/5/2017	8269	18,500,000 shares	8215	0.51%	*Open market	–
3	9/5/2017	1143	489,060,000 shares	1076	0.342%	*Market price	–
4	18/4/2017	637	3,300,000 listed shares	n/a	n/a	*n/a	–
5	12/1/2017	8006	24,000,000 shares	8027	0.75%	*Open market	–
6	5/1/2017	616	3,485,847 shares	939	0.0014% of H share capital	Market price	–
7	4/1/2017	8269	70,420,000 shares	8101	2.43%	*Open market	–
			5,000,000 shares	3683	0.55%	*Open market	–
8	28/12/2016	128	1,166,800 shares	26	2.575%	Cross-trading	a premium of approximately 2.8% (Note 1)
9	19/12/2016	8269	7,432,000 shares	1495	1.72%	*Open market	
10	14/12/2016	559	36,000,000 shares	993	1.08%	Negotiated	a discount of approximately 3.85% (Note 2)
11	29/11/2016	524	1,362,000 shares	1107	0.054%	Market price	–
12	23/11/2016	404	169,116,777 shares 80,000,000 preference shares	2340 2340	48.58% 18.69% of the enlarged issued share capital of Synergis upon conversion into Synergis shares	Negotiated	a discount of approximately 30.00% (Note 3)
13	4/11/2016	8179	960,000 shares	8217	0.0769%	Market price	–
14	19/10/2016	986	149,370,000 shares	1063	0.98%	*Market price	–
15	27/9/2016	8100	16,538,000 shares	8361	1.61%	Negotiated	a discount of approximately 10% (Note 4)
16	27/9/2016	986	326,000,000 shares	745	3.32%	*Market price	–

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	Announcement Date (from 10 June 2016 to 9 June 2017)	Stock Code	Assets Disposed	Stock Code of the shares disposed	% to the issued share capital at disposal date	Basis	Discount /Premium
17	15/9/2016	8063	60,000,000 shares	326	7.97%	Negotiated	a discount of approximately 8.33% (Note 5)
18	5/9/2016	201/219/253	2,100,000 shares	5	0.011%	*Market price	–
19	2/9/2016	201/219/253	1,916,400 shares	5	0.010%	Market price	–
20	25/8/2016	8101	29,460,000 shares	1499	1.2%	Market price	–
21	24/8/2016	8179	3,021,000 shares	939	0.0013% of H share capital	Market price	–
22	23/8/2016	224	31,218,733 shares	662	3.18%	Negotiated	a premium of approximately 14.38% (Note 6)
23	19/8/2016	254	321,864,000 shares	8046	3.94%	*Market price	–
24	29/7/2016	370	74,405,000 shares	1089	2.59%	*Market price	–
25	6/7/2016	8179	524,800,000 listed shares	n/a	2.48% of the GEM Listco	Market price	–
26	13/6/2016	2288	668,000 shares	1568	0.033%	Market price	–
27	10/6/2016	2288	332,000 shares	1568	0.017%	Market price	–

Source: *Announcement from HKEX*

*Note 1:* The disposal price represents a premium of 2.8% to the closing price of HK\$86.3840 (adjusted) per share as quoted on the Stock Exchange on 28 December 2016.

*Note 2:* The disposal price represents a discount of 3.85% to the closing price of HK\$2.8590 (adjusted) per share as quoted on the Stock Exchange on 14 December 2016.

*Note 3:* The disposal price represents a discount of approximately 30.00% to the closing price of HK\$1.600 per Synergis share as quoted on the Stock Exchange on 18 November 2016, being the last trading day in relation to a mandatory general offer.

*Note 4:* The disposal price represents a discount of approximately 10% to the average closing price of HK\$2.385 per share as quoted on the Stock Exchange for the 10 consecutive trading days of the shares of the target up to and including the date of the sales and purchase agreement.

*Note 5:* The disposal price represents a discount of approximately 8.33% to the closing price of HK\$0.60 per share as quoted on the Stock Exchange on 15 September 2016, being the date of the bought and sold notes.

*Note 6:* The disposal price represents a premium of 14.38% to the closing price of HK\$4.38 per share as quoted on the Stock Exchange on 22 August 2016.

\* *The transaction was based on open market trading over a period of time according to the announcement.*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We noted from the above table there were a total of 27 listed companies (“**Comparables**”) which had executed disposal of listed securities of the Stock Exchange from 10 June 2016 to 9 June 2017, 21 of which executed the transactions on the market at the prevailing market prices, 6 of which executed the transactions off-the-market at negotiated prices including 2 transactions that were executed at premiums and 4 transactions were executed at discounts.

For the 4 transactions executed on discounts at negotiated prices, we noted that i) a high level of discount of approximately 30% were offered to the seller listed company for a disposal of ordinary shares representing 48.59% of the issued capital of the target company and preference shares representing 18.69% of the enlarged issued share capital of Synergis upon conversion into Synergis shares in relation to a mandatory general offer (transaction no. 12); and ii) a lower level of discount of approximately 3.85%, 8.33% and 10% was offered to the seller listed company for a disposal of ordinary shares representing 1.08%, 7.97%, and 1.61%, of the issued capital of the target company, respectively.

In light of the foregoing, the majority of the transactions, 21 out of 27 of the transactions as depicted in the above table were executed at market prices, while the Disposal representing a discount of approximately 1.8% to the closing price of HK\$7.45 per SingAsia Share as quoted on the Stock Exchange on the 9 June 2017 or the Last Trading Day and 2.28% of the issued share capital of SingAsia at the time of the disposal, is below the range of discounts of 3.85% to 10% relative to the size of their issued capitals ranging from 1.08% to 7.97% among the 3 transactions carrying discounts from the Comparables (save for transaction no.12 which has a higher level of discount but relates to a special corporate action, i.e. a takeover transaction rather than a regular sales transaction).

As such, the Company regards the terms of the Disposal are of normal commercial terms and not in the ordinary and usual course of the business of the Group, taking into account of the principal factors and reasons and assumptions as detailed in (1) to (10) above, the Disposal and the transactions contemplated thereunder, was fair and reasonable and in the interest of the Company and its Shareholders as a whole.

### RECOMMENDATION

Shareholders should be reminded that:

- (i) Based on the 27 disposal of listed securities transactions identified by us (as tabulated in (10) above), the majority of the transactions, i.e. 21 out of 27 of the transactions were executed at prevailing market prices, while the Disposal representing a discount of approximately 1.8% to the closing price of HK\$7.45 per SingAsia Share as quoted on the Stock Exchange on 9 June 2017 or the Last Trading Day for the disposal of 2.28% of the total issued share capital of SingAsia at the time of the disposal, is below the range of discounts of 3.85% to 10% relative to the size of their disposals (save for transaction no.12) along with the size of the disposal over the total issued capitals ranging from 1.08% to 7.97% with respect to the 3 transactions carrying discounts from the Comparables;



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (ii) It should be noted that substantial NAV premium over the market price of around 29.5 times could have been realized by the Company should the Entire Shareholding be sold at the Executed Price per SingAsia Share over the audited NAV per SingAsia Share of SGD0.0410 as at 31 July 2017, or approximately HK\$0.24 calculated at an exchange rate of HK\$5.7595 per SGD 1 as at 31 July 2017, the date of the 2017 annual report of SingAsia;
- (iii) In case the resolution be disapproved and the Disposal be revoked, it should be noted that due to the Company will have to return the fund received from the Disposal to Mr. Yeung, whilst the Repayment to Summer Beach has been lapsed as of the Latest Practicable Date. Despite the Company has negotiated with Summer Beach to further extend the deadline for the Repayment to 31 December 2017, the Company will only have less than one month to conduct alternative fund-raising activities for the Repayment; and
- (iv) Should the Entire Shareholding be resold in the open market at prevailing market prices in case the Disposal be revoked, despite the market price is approximately HK\$14 as at the Latest Practicable Date, the Company may not be able to dispose the Entire Shareholding above HK\$7.316 per SingAsia Share one-off or in a few days in view of the thin trading volumes in the last 10 trading days prior to the Latest Practicable Date as depicted in (iv) of (9) above.

After considering all the principal factors, reasons, and assumptions as detailed in (1) to (10) above, we concur with the Directors that the terms of the Disposal at the Executed Price are of normal commercial terms, are not in the ordinary and usual course of the business of the Group thus the Disposal was fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to recommend the Independent Shareholders and we recommend the Independent Shareholders to vote in favour of the ordinary resolution for the Disposal and the transactions contemplated thereunder.

**Should the Disposal at the Executed Price be approved at the SGM, it is taken as completed at the Executed Price and there will be no refund of the aggregate consideration previously paid to the Vendor by Mr. Yeung who will take up the Entire Shareholding under the Disposal Agreement.**

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Hereinafter, we would like to draw to your attention that should the resolution for the Disposal be revoked at the SGM, two options will be available to the Independent Shareholders:

- 1) Mr. Yeung will return all 5,700,000 SingAsia Shares to the Vendor in exchange for the return of the aggregate consideration previously paid to the Vendor by Mr. Yeung and the Company will have to dispose its Entire Shareholding in the open market or make another deal with private investors(s) for block trades to obtain the funds for the Repayment.
- 2) The Company will have to seek other alternatives for fund-raising in relation to the Repayment which is to be due in less than one month.

Yours faithfully,  
For and on behalf of  
**Grand Moore Capital Limited**  
**Hugo Cheung**  
*Director of Investment Banking*

*Mr. Hugo Cheung is a licensed person registered with the SFC and a responsible officer of Grand Moore Capital Limited to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has over 10 years of experience in the finance and investment banking industry.*

## 1. RESPONSIBILITY STATEMENT

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

## 2. INTERESTS OF DIRECTORS' AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 they were taken or deemed to have under such provisions of the SFO); (ii) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Long position/short position	Nature of interests	Number of Shares held	Approximate percentage of issued share capital of the Company
Mr. Standly Yeung	Long position	Beneficial owner	520,000	0.06%
	Long position	Interest of spouse	80,000 (Note 1)	0.01%
Mr. Zhao Ruiyong ("Mr. Zhao")	Long position	Interest in controlled corporation	222,820,000 (Note 2)	25.46%

Notes:

- The 80,000 Shares are beneficially owned by the spouse of Mr. Standly Yeung and he is deemed to be interested in the 80,000 Shares under the SFO.
- The 222,820,000 Shares are beneficially owned by Great Wall Belt & Road (HK) Limited ("Great Wall HK"), Great Wall Belt & Road is wholly owned by Great Wall Film & Culture Company Group Limited\* (長城影視文化企業集團有限公司) ("The Great Wall Film & Culture Company Group") and Mr. Zhao is interested in 66.67% interest of The Great Wall Film and Culture Company Group. As such, Mr. Zhao is deemed to be interested in the 222,820,000 Shares under the SFO.

\* for identification purpose only

Save as disclosed above, as the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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 they were taken or deemed to have under such provisions of the SFO); (ii) to be recorded in the register required to be kept pursuant to Section 352 of the SFO; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, the following Directors were a director or employee of a company which had an interest or a short position in the Shares and 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:

<b>Directors</b>	<b>Name of company</b>	<b>Position</b>
Mr. Zhao	The Great Wall Film & Culture Company Group, which was indirectly interested in the 222,820,000 Shares (representing approximately 25.46% of the total issued Shares) held by Great Wall HK	Chairman of the board of The Great Wall Film & Culture Company Group
Ms. Li Bing ("Ms. Li")	The Great Wall Film & Culture Company Group, which was indirectly interested in the 222,820,000 Shares (representing approximately 25.46% of the total issued Shares) held by Great Wall HK	Vice president of The Great Wall Film & Culture Company Group
	Great Wall HK, which beneficially held 222,820,000 Shares (representing approximately 25.46% of the total issued Shares)	Director of Great Wall HK

Save as disclosed above, as at the Latest Practicable Date, none of the Directors were director or employee of a company which had an interest or a 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.

### **3. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date:

- (i) none of the Directors has or had any direct or indirect interest in any assets which have been 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 since 31 December 2016 (being the date to which the latest published audited accounts of the Group were made up); and

- (ii) Mr. Standly Yeung, the brother of Mr. Yeung, is an associate of Mr. Yeung. Therefore, Mr. Standly Yeung had a deemed material interest in the Disposal. Save as disclosed above, as at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which is subsisting as at the Latest Practicable Date and is significant in relation to the business of the Group.
- (iii) Mr. Zhao, an executive Director, is the chairman of the board of The Great Wall Film & Culture Company Group. Ms. Li, an executive Director, is the vice president of The Great Wall Film & Culture Company Group. Therefore, each of Mr. Zhao and Ms. Li had a material interest in the joint venture agreement dated 8 September 2017 entered into between B&R Investment Holding Limited, a wholly-owned subsidiary of the Company, and The Great Wall Film & Culture Company Group in relation to the formation of a joint venture company with the proposed name “Wusu Silk Road Small Towns Cultural Tourism Company Limited\* (烏蘇絲路小鎮文旅有限公司)” for engaging in the development and operation of characteristic cultural towns, real estate and cultural tourism. Details of which are disclosed in the announcement of the Company dated 8 September 2017.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the businesses of the Group.

#### **4. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

#### **5. DIRECTORS' SERVICE CONTRACTS**

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

#### **6. MATERIAL CHANGES**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited financial statements of the Group were made up.

\* for identification purpose only

**7. EXPERT AND CONSENT**

The following are the qualifications of expert who has given the Company opinions or provided advice referred to or contained in this circular:

<b>Name</b>	<b>Qualification</b>
Grand Moore	a corporation licensed under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Grand Moore had no shareholding interest, directly or indirectly, in any member of the Group or right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable, Grand Moore did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2016, the date to which the latest published audited financial statements of the Group were made up.

Grand Moore has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of the text its letter and/or the references to its name in the form and context in which they respectively appear.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours on any weekday (except public holidays) at the principal place of business of the Company at Suite 1402, 14/F, Henley Building, No.5 Queen's Road Central, Central, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) the sales and purchase agreement dated 9 June 2017 entered into between the Vendor and Mr. Yeung;
- (b) the deed of undertaking dated 6 October 2017 executed by Mr. Yeung to the Vendor;
- (c) the letter from the Independent Board Committee dated 11 December 2017;
- (d) the letter from Grand Moore dated 11 December 2017;
- (e) the written consent referred to in the section headed "Expert and Consent" in this appendix; and
- (f) this circular.

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## NOTICE OF SGM

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### e-Kong Group Limited

*(Incorporated in Bermuda with limited liability)*

*www.e-kong.com*

**(Stock code: 524)**

## NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of e-Kong Group Limited (the “**Company**”) will be held at 11:00 a.m. on Friday, 29 December 2017 at Suites 3401-3413, 34/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong, for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution:

### ORDINARY RESOLUTION

“**THAT**

the connected transaction between e-Kong Pillars Holdings Limited, a wholly-owned subsidiary of the Company and Mr. Yeung Chun Wai Anthony, an executive Director at the relevant time in relation to the disposal of 5,700,000 shares of SingAsia Holdings Limited at an aggregate consideration of HK\$41,701,000 (exclusive of transaction costs) at an average price of approximately HK\$7.316 per share (the “**Disposal**”) and the transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and any one of the directors of the Company (“**Director(s)**”) be and is hereby authorized to do all such acts and things, to sign and execute all documents or agreements under hand (and, where required, under the common seal of the Company together with any one Director or the company secretary of the Company for and on behalf of the Company as he/she may consider necessary, desirable, appropriate or expedient in connection with and/or to implement and/or give effect to the Disposal and the transactions contemplated thereunder and to agree to such verification, announcement or waiver as are, in the opinion of the Directors, in the interests of the Company.”

By order of the Board  
**e-Kong Group Limited**  
**Cheung Ka Heng Frankie**  
*Vice-Chairman and Executive Director*

Hong Kong, 11 December 2017

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of business in Hong Kong*  
Suite 1402  
14/F, Henley Building  
No.5 Queen’s Road Central  
Central  
Hong Kong

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## NOTICE OF SGM

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*Notes:*

1. Any shareholder entitled to attend and vote at the special general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time scheduled for the special general meeting (or any adjournment thereof).
3. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the special general meeting and in such event, the instrument appoint a proxy shall be deemed to be revoked.
4. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the special general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
5. A form of proxy for use at the special general meeting is attached herewith.
6. Any voting at the special general meeting shall be taken by poll.
7. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.