THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in EEKA Fashion Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

EEKA FASHION 贏家時尚

EEKA Fashion Holdings Limited
贏家時尚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

(formerly known as Koradior Holdings Limited 珂萊蒂爾控股有限公司)

(1) REVISION OF THE EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

綽耀資本 REDSOLAR

A notice convening an extraordinary general meeting of EEKA Fashion Holdings Limited to be held at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong on Monday, 26 August 2019 at 3 p.m., is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and the Company at www.koradior.com.

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as practicable and in any event not later than 48 hours before the time appointed for holding the extraordinary general meeting, or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall be deemed revoked.

9 August 2019

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

"2018 Agreement"	the agreement entered into between Shenzhen Koradior, Ganzhou Yingjia and Shenzhen Ifashion on 30 November 2018 in relation to the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group
"Acquisition"	the acquisition of the sale shares and the taking of an assignment of the shareholder's loan by the Company from Apex Noble Holdings Limited pursuant to the Acquisition Agreement
"Acquisition Agreement"	the conditional sale and purchase agreement dated 25 March 2019 entered into between the Company and Apex Noble Holdings Limited in relation to the Acquisition
"Annual Cap(s)"	the maximum annual amount of service fee payable by Shenzhen Koradior and Shenzhen Naersi in relation to the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion
"Board"	the board of Directors
"Company"	EEKA Fashion Holdings Limited (贏家時尚控股有限公司), formerly known as Koradior Holdings Limited (珂萊蒂爾控股有限公司), an exempted company with limited liability incorporated in the Cayman Islands and the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 3709)
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Director(s)"	the director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be convened and held for, the purpose of considering and, if thought fit, approving, among other things, the revision of the existing Annual Caps and the New Agreement
"Ganzhou Yingjia"	Yingjia Fashion (Ganzhou) Co., Ltd.* (贏家時裝(贛州)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Yingjia Fashion
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Board Committee"	an independent committee of the Board comprising all its independent non-executive Directors, established for the purpose of advising Independent Shareholders on the revision of the existing Annual Caps and the New Agreement
"Independent Financial Adviser"	Red Solar Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for the purpose of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders advising on the revision of the existing Annual Caps and the New Agreement
"Independent Shareholders"	the Shareholders, other than Mr. Jin Ming and his associates
"Independent Third Parties"	persons who are not connected with any Directors, chief executive or substantial shareholders of our Company or any of its subsidiaries and their respective associates
"Latest Practicable Date"	7 August 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"New Agreement"	the agreement entered into between Shenzhen Koradior, Shenzhen Naersi, Ganzhou Yingjia and Shenzhen Ifashion on 28 June 2019 to supersede the 2018 Agreement in relation to the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group
"OEM"	original equipment manufacturing, a business that manufactures products or equipment for branding and resale by others
"PRC"	the People's Republic of China, which for the purpose of this circular excludes, Hong Kong, the Macau Special Administrative Region and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s) of the Company
"Shenzhen Ifashion"	Shenzhen Ifashion Cloud Technology Co., Ltd.* (深圳市贏領智尚科技有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Yingjia Fashion
"Shenzhen Koradior"	Shenzhen Koradior Fashion Co., Ltd.* (深圳市珂萊蒂爾服飾有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Shenzhen Naersi"	Shenzhen Naersi Fashion Co., Ltd.* (深圳市娜爾思時裝有限公司), a company incorporated in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Yingjia Fashion"	Shenzhen Yingjia Fashion Co., Ltd.*(深圳市贏家服飾有限公司), a company established in the PRC with limited liability and a connected person of the Company
"%"	per cent.

For the purpose of this circular, unless the context otherwise requires, conversion of RMB into HK$ is based on the approximate exchange rate of RMB0.88 to HK$1.00. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK$ or RMB have been, could have been or may be converted at such or any other rate or at all.

The English names of Chinese entities marked with "" are translations of their Chinese names and are included in this circular for identification purpose only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

EEKA Fashion Holdings Limited
贏家時尚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

(formerly known as Koradior Holdings Limited 珂萊蒂爾控股有限公司)

Executive Directors:
Mr. JIN Ming
Ms. HE Hongmei

Non-executive Director:
Mr. YANG Weiqiang

Independent non-executive Directors:
Mr. ZHONG Ming
Mr. ZHOU Xiaoyu
Mr. ZHANG Guodong

Registered office:
Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Suite 812, 8th Floor, Tower 1
The Gateway, Harbour City
25 Canton Road, Tsim Sha Tsui
Kowloon
Hong Kong

9 August 2019

To the Shareholders

Dear Sir or Madam

(1) REVISION OF THE EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References are made to the Company's announcement dated 30 November 2018 in relation to, among other things, the 2018 Agreement and the transactions contemplated thereunder, the announcement of the Company dated 25 March 2019 and the circular of the Company dated 29 April 2019 in relation to, among other things, the Acquisition Agreement and the Acquisition Contemplated thereunder, and the Company's announcement dated 28 June 2019 in relation to, among other things, the revision of the existing Annual Caps and the New Agreement.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the revision of the existing Annual Caps and the New Agreement; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the revision of the existing Annual Caps and the New Agreement; (iii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the revision of the existing Annual Caps and the New Agreement; (iv) the notice of the EGM and (v) other information as required under the Listing Rules.

REVISION OF THE EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

Background

References are made to the Company's announcement dated 30 November 2018 in relation to, among other things, the 2018 Agreement and the transactions contemplated thereunder, the announcement of the Company dated 25 March 2019 and the circular of the Company dated 29 April 2019 in relation to, among other things, the Acquisition Agreement and the Acquisition contemplated thereunder, and the Company's announcement dated 28 June 2019 in relation to, among other things, the revision of the existing Annual Caps and the New Agreement.

The 2018 Agreement

On 30 November 2018, Shenzhen Koradior, an indirect wholly-owned subsidiary of the Company, entered into the 2018 Agreement with Ganzhou Yingjia and Shenzhen Ifashion for the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group for a term of three years commencing from 1 January 2018 up to and including 31 December 2020.

The original Annual Caps

As disclosed in the announcement of the Company dated 30 November 2018, the original Annual Caps for the years ending 31 December 2018, 2019 and 2020 under the 2018 Agreement were RMB75,000,000, RMB78,000,000 and RMB80,000,000, respectively.

As a result of the Acquisition, the sales volume of the Group increased as the operation and distribution networks expanded. The Board expects that the fees payable by the Group to Shenzhen Ifashion and Ganzhou Yingjia under the 2018 Agreement will increase and the existing Annual Caps under the 2018 Agreement will hence be insufficient to meet the requirements of the Group. Accordingly, on 28 June 2019, Shenzhen Koradior, Shenzhen Naersi, Ganzhou Yingjia and Shenzhen Ifashion entered into the New Agreement to, among other things, revise the Annual Caps in order to continue the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group for a term of three years commencing from 1 January 2019 up to and including 31 December 2021, superseding the 2018 Agreement.

Date

28 June 2019

Parties

(i) Shenzhen Koradior

(ii) Shenzhen Naersi

(iii) Ganzhou Yingjia

(iv) Shenzhen Ifashion

As at Latest Practicable Date, Ganzhou Yingjia is wholly-owned by Shenzhen Ifashion, which in turn is a direct wholly-owned subsidiary of Yingjia Fashion. Yingjia Fashion is owned as to 53% and 47% respectively by the mother, Ms. Chen Lingmei and the father, Mr. Jin Jingquan of Mr. Jin Ming, the chairman of the Board, chief executive officer and an executive Director of the Company. As such, Ganzhou Yingjia and Shenzhen Ifashion are therefore connected persons of the Company under the Listing Rules.

Subject matter

Ganzhou Yingjia and Shenzhen Ifashion have agreed to provide processing and manufacturing services to Shenzhen Koradior and Shenzhen Naersi, including but not limited to provision of certain products according to: (i) the manufacturing standards and processing techniques stipulated by Shenzhen Koradior and/or Shenzhen Naersi; or (ii) standard samples provided and confirmed by the design team of Shenzhen Koradior and/or Shenzhen Naersi.

Term

The term of the New Agreement is three years commencing from 1 January 2019 up to and including 31 December 2021 and may be renewed upon mutual agreement between the parties subject to all the requirements under the Listing Rules and other applicable laws. Shenzhen Koradior and Shenzhen Naersi have the right to terminate the New Agreement at any time before its expiration.

Pricing policy

Processing fees payable to each of Ganzhou Yingjia and Shenzhen Ifashion are determined based on the following factors:

(i) the tag price, being the expected price to be shown on the price tag label of the relevant products; and

(ii) the Garment Standard Time of the relevant products, being the time required by an average skilled worker, working at a normal place, to perform a specified task using the prescribed method and materials.

In particular:

(a) the tag price of the relevant products is determined by the Company with reference to:

1. the historical tag price of the relevant products;

2. the market demand of the relevant products;

3. the market positioning of our brands; and

4. the market price of the relevant products.

(b) the Garment Standard Time of the relevant products is determined by Ganzhou Yingjia and Shenzhen Ifashion, and agreed by the Company, based on:

1. the observed time, being the time required for completing a specified task, for example, lathe work;

2. the complexity of the specified task required; and

3. the characteristics of different materials to be used, which may affect the complexity of the specified task.

The processing fee for normal processes done mainly by machines is 3-5% of the tag price of the relevant products. For special processes done by hand, for example, nail beads embroidery, knitting or threading, which involve longer observed time and greater complexity of the specified task required will result in a higher percentage range of processing fee, i.e. up to 7% of the tag price of the relevant products. The Directors are of the view that the aforementioned percentage range of processing fees for both normal processes and special processes are reasonable with reference to the market price for similar services.

In addition to the processing fees, additional fees may be incurred if the particular order involves (i) special packaging, for example packaging boxes for formal wear, or (ii) extra setup cost to be paid to Ganzhou Yingjia or Shenzhen Ifashion for low volume production, i.e. production of less than 400 pieces of the relevant products. The additional fees are determined in accordance with the market price, being the price of the similar services provided by Independent Third Parties in the ordinary course of business and on normal commercial terms.

The Directors confirmed that if the processing fees proposed by Ganzhou Yingjia and/or Shenzhen Ifashion exceed the aforementioned percentage range, the Company will then invite Independent Third Parties to provide quotations for the provision of the relevant processing services. In the case where the processing fees to be charged by the Independent Third Parties are lower than that of Ganzhou Yingjia and/or Shenzhen Ifashion, with other terms similar to or better than those offered by Ganzhou Yingjia and/or Shenzhen Ifashion, the Company will then appoint such Independent Third Parties to provide the relevant processing services.

The above pricing policy is applicable to the processing of all products by Ganzhou Yingjia and Shenzhen Ifashion, and all applicable to the processing services provided by Independent Third Parties.

Payment terms

The processing fee is payable on monthly basis by Shenzhen Koradior and Shenzhen Naersi to Ganzhou Yingjia and Shenzhen Ifashion, via bank transfer upon the presentation of the relevant invoices.

The revised Annual Caps

The Directors were of the view that the Company required time following the completion of the Acquisition to assess the fairness and reasonableness of the proposed Annual Caps.

Details of the revised Annual Caps are as follows:

Period	Original Annual Caps under the 2018 Agreement	Revised Annual Caps under the New Agreement
For the year ending 31 December		
2018	RMB75,000,000 (equivalent to HK$85,227,273)	–
2019	RMB78,000,000 (equivalent to HK$88,636,364)	RMB195,000,000 (equivalent to HK$221,590,909)
2020	RMB80,000,000 (equivalent to HK$90,909,091)	RMB220,000,000 (equivalent to HK$250,000,000)
2021	–	RMB250,000,000 (equivalent to HK$284,090,909)

The terms and conditions of the New Agreement are conditional upon the approval of the Independent Shareholders and shall supersede the 2018 Agreement on the date of passing of the ordinary resolution at the EGM approving the revision of the existing Annual Caps and the New Agreement. Save for the above revisions, all the terms and conditions of the New Agreement are identical to those under the 2018 Agreement.

HISTORICAL ANNUAL CAPS AND TRANSACTION AMOUNTS

The table below sets out the historical Annual Caps for the year ended 31 December 2018 and for the year ending 31 December 2019 respectively under the 2018 Agreement, and the actual amount incurred/paid by Shenzhen Koradior to Ganzhou Yingjia and Shenzhen Ifashion in relation to the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group for the year ended 31 December 2018 and the five months ended 31 May 2019:

Period	Annual Caps	Actual amount incurred/paid by Shenzhen Koradior	Actual amount incurred/paid by Shenzhen Naersi *(Note 2)*
For the year ended 31 December 2018 (Under the 2018 Agreement)	RMB75,000,000 (equivalent to HK$85,227,273)	RMB74,007,000 (equivalent to HK$84,098,864)	RMB48,765,000 (equivalent to HK$55,414,773) *(Note 3)*
For the year ending 31 December 2019 (Under the 2018 Agreement)	RMB78,000,000 (equivalent to HK$88,636,364)	RMB39,166,000 (equivalent to HK$44,506,818) *(Note 1)*	RMB40,258,000 (equivalent to HK$45,747,727) *(Note 1)*

Notes:

1. Unaudited figure for the five months ended 31 May 2019.

2. Shenzhen Naersi has only become an indirect subsidiary of the Company since 3 July 2019.

3. No amount was incurred/paid by Shenzhen Naersi from January 2018 to May 2018.

BASIS OF DETERMINATION OF THE PROPOSED ANNUAL CAPS

As a result of the Acquisition, the sales volume of the Group is expected to increase as the operation and distribution networks have expanded. The Board expects that the fees payable by the Group to Shenzhen Ifashion and Ganzhou Yingjia will increase and the existing Annual Caps under the 2018 Agreement will be insufficient to meet the requirements of the Group.

The proposed revised Annual Caps under the New Agreement are determined with references to:

(i) the historical transaction amounts incurred/paid by Shenzhen Koradior and/or Shenzhen Naersi for the five months ended 31 May 2019; and

(ii) the projected processing fees of the Group, which in turn were determined having taken into consideration the following:

    (a) the projected sales volume of the Group for the three years ending 31 December 2021 following the Acquisition;

    (b) the anticipated synergies following the Acquisition, including the expected expansion of the Group's market share and further enhancement in its market-leading position;

    (c) the historical Garment Standard Time of the relevant products; and

    (d) the historical tag price of the relevant products.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE NEW AGREEMENT TO REVISE THE ANNUAL CAPS

The production and sale of high-end womenswear is one of the principal activities of the Group. As the Group does not have any in-house production facilities, the Group has, since its commencement of business in 2007, outsourced the production of its products to third party OEM contractors including Yingjia Fashion and its subsidiaries. It has always been the belief of the Company that such strategy would allow the Group to reduce the investments in fixed assets and generate a higher return on assets.

In compliance with the Listing Rules, the Company has been monitoring the transactions between the Group and Ganzhou Yingjia and Shenzhen Ifashion under the 2018 Agreement, particularly following the Acquisition. As shown in the table in the section headed "Historical Annual Caps and Transaction Amounts" above, the total amount incurred/paid by Shenzhen Koradior to Ganzhou Yingjia and Shenzhen Ifashion for the five months ended 31 May 2019 was approximately RMB40,000,000, which has already reached approximately 51% of the Annual Cap for the year ending 31 December 2019 under the 2018 Agreement.

There are number of factors which contributed to the rapidly growing demand for the processing and manufacturing services of Ganzhou Yingjia and Shenzhen Ifashion, including, among others:

(i) the continuing focus on the production strategy of the Group of production through the Group's own raw material procurement with processing arrangement through OEM contractors rather than through purchase of finished products manufactured by OEM contractors, benefiting the Group by enhancing the overall profit margin;

(ii) the brands of the Group have achieved favourable results and the anticipated consistent performance and growth; and

(iii) given the long-term cooperation with Ganzhou Yingjia and Shenzhen Ifashion and their proven quality of services, the Group considers the processing agreement with them can provide a stable supply of quality services and respond to the increasing customer requirement for improved quality.

Following the Acquisition, Shenzhen Naersi has become an indirect subsidiary of the Company. The transactions between Shenzhen Naersi, Ganzhou Yingjia and Shenzhen Ifashion as contemplated under the New Agreement shall become continuing connected transactions of the Company. Further, the Acquisition is expected to increase the revenue and profitability of the Group, optimize the Group's resources and help achieving a cost synergy effect and allow the Group to expand its market share and enhance its market-leading position.

Taking into account the above factors, the Directors expect that there will be an increase in the demand for processing and manufacturing services and the original Annual Caps under the 2018 Agreement would not be sufficient to meet the demand of the Group. Given the long-term cooperation with Yingjia Fashion (and Ganzhou Yingjia since 2017), their proven quality of services, the Directors consider that the provision of processing and manufacturing services offered by Ganzhou Yingjia and Shenzhen Ifashion under the New Agreement would allow Shenzhen Koradior and Shenzhen Naersi to continue to secure a stable supply of quality services which are necessary for the sales by Shenzhen Koradior and Shenzhen Naersi and to meet the rapidly increasing demand from customers. The Group therefore entered into the New Agreement with Ganzhou Yingjia and Shenzhen Ifashion to, among other things, revise the Annual Caps in relation to the provision of processing and manufacturing services to cater for the continuing expansion of the Group.

As the Group has been paying constant attention to and reviewing the positive effects brought to the Group following the Acquisition, by the adjustments made to our production strategies and the increasing demand of customers for products of brands owned by the Group, there is a possibility that the revised Annual Caps under the New Agreement may need to be further revised to cope with the business demand of the Group. If there is any variation or renewal of the New Agreement and/or the Annual Caps, the Company will re-comply with all applicable requirements under Chapter 14A of the Listing Rules.

In view of the above reasons, the Directors consider that the revision of the existing Annual Caps and the New Agreement are based on normal commercial terms, in the ordinary and usual course of business of the Group and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES

To ensure the transactions with Ganzhou Yingjia and Shenzhen Ifashion under the 2018 Agreement would be on normal commercial terms, the Company has adopted and will continue to apply to the transactions with Ganzhou Yingjia and Shenzhen Ifashion under the New Agreement, the following internal control procedures:

(i) the Company will develop its own estimate of processing fee based on the pricing policy mentioned above and obtain fee quotations from independent comparable OEM contractors for products which require processing services in similar quantities to determine if the price and terms offered by Ganzhou Yingjia and Shenzhen Ifashion, are fair and reasonable and comparable to those offered by independent comparable OEM contractors;

(ii) the Company will select the successful OEM contractor for individual transaction based on objective standards such as publicly available raw material prices, the scale and reputation of the relevant OEM contractor, price and quality of processing services and products, and product delivery time and services;

(iii) regular reports regarding the Group's purchase and other relevant information will be provided to the independent non-executive Directors who will conduct semi-annual review of their purchase terms (including whether these are based on factors mentioned above) and the fairness of our Group's basis of selecting its OEM contractors; and

(iv) we will review and conduct sample checking regularly on the tag price of products in order to maintain the accurate tag price in the system.

The Directors believe that the above measures will ensure that the Group's transactions with Ganzhou Yingjia and Shenzhen Ifashion are and will be conducted on normal commercial terms and consider that it is in the interests of the Company and the Shareholders as a whole for the Group to continue to engage Ganzhou Yingjia and Shenzhen Ifashion for their processing and manufacturing services in accordance with the terms and conditions of the New Agreement.

INFORMATION ON THE GROUP, SHENZHEN KORADIOR, SHENZHEN NAERSI, GANZHOU YINGJIA AND SHENZHEN IFASHION

The Group

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are design, promotion, marketing and sales of self-owned branded womenswear products in the PRC.

Shenzhen Koradior

Shenzhen Koradior is an indirect wholly-owned subsidiary of the Company principally engaged in the design and retail business of the "Koradior", "La Koradior" and "Koradior elsewhere" apparel brands of the Company.

Shenzhen Naersi

Shenzhen Naersi is an indirect wholly-owned subsidiary of the Company principally engaged in the design and sale of high-end womenswear products of its self-owned brands, namely "NAERSI", "NEXY.CO" and "NAERSILING".

Ganzhou Yingjia

Ganzhou Yingjia is a company established in the PRC principally engaged in the production and processing of womenswear via its self-operated retail stores and distributors in the PRC. It is wholly-owned by Shenzhen Ifashion, a wholly-owned subsidiary of Yingjia Fashion, and has been providing processing and manufacturing services to the Group under the 2018 Agreement.

Shenzhen Ifashion

Shenzhen Ifashion is a company established in the PRC principally engaged in the production and processing of womenswear via its self-operated retail stores and distributors in the PRC. It is a direct wholly-owned subsidiary of Yingjia Fashion.

LISTING RULES IMPLICATIONS

Revision of the existing Annual Caps for continuing connected transactions

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transaction, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transaction.

As at Latest Practicable Date, Ganzhou Yingjia is wholly-owned by Shenzhen Ifashion, which in turn is a direct wholly-owned subsidiary of Yingjia Fashion. Yingjia Fashion is owned as to 53% and 47% respectively by the mother, Ms. Chen Lingmei and the father, Mr. Jin Jingquan of Mr. Jin Ming, the chairman of the Board, chief executive officer and an executive Director of the Company. As such, Ganzhou Yingjia and Shenzhen Ifashion are connected persons of the Company. As a result the revision of the existing Annual Caps and the transactions contemplated under the New Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the revision of the existing Annual Caps and the transactions contemplated under the New Agreement exceed 5% on an annual basis, the revision of the existing Annual Caps and the New Agreement are therefore subject to reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, none of the Directors has material interest in the transactions under the revision of the existing Annual Caps and the transactions contemplated under the New Agreement. Mr. Jin Ming has abstained from voting at the Board meeting to approve the revision of the existing Annual Caps and the transactions contemplated under the New Agreement.

EGM AND INDEPENDENT BOARD COMMITTEE

The EGM will be convened by the Company at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong at 3 p.m. on Monday, 26 August 2019 for the purposes of considering, and if thought fit, approving the revision of the existing Annual Caps and the New Agreement. As at the Latest Practicable Date, Mr. Jin Ming, holding 300,450,500 Shares, representing approximately 43.86% of the issued Share capital of the Company, will abstain from voting on the proposed resolutions to approve the revision of the existing Annual Caps and/or the New Agreement. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has any material interest in the revision of the existing Annual Caps and/or the New Agreement, and therefore no other Shareholder is required to abstain from voting at the EGM in respect of the resolutions approving the aforesaid matters.

Pursuant to Rule 13.39(6) of the Listing Rules, the Company has established the Independent Board Committee comprising all its independent non-executive Directors, namely Mr. Zhong Ming, Mr. Zhou Xiaoyu and Mr. Zhang Guodong to advise the Independent Shareholders on the fairness and reasonableness of the revision of the existing Annual Caps and the terms of the New Agreement as to whether the revision of the existing Annual Caps and/or the New Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Acquisition Agreement, revision to the existing Annual Caps and the New Agreement.

Red Solar Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the revision of the existing Annual Caps and the New Agreement as to whether the revision of the existing Annual Caps and/or the New Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The appointment of Red Solar Capital Limited as the Independent Financial Adviser has been approved by the Independent Board Committee.

The notice of EGM is set out on pages EGM-1 to EGM-2 of this circular. A proxy form for use at the EGM is enclosed herewith. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, 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 fixed for the EGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the EGM in person.

RECOMMENDATION

Your attention is drawn to the letter of the Independent Board Committee set out on page 18 of this circular. Your attention is also drawn to the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the revision of the existing Annual Caps and the New Agreement set out on pages 19 to 35 of this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the revision of the existing Annual Caps and the New Agreement are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed for approving the revision of the existing Annual Caps and the New Agreement at the EGM.

The Board (including the members of the Independent Board Committee) considers that the revision of the existing Annual Caps and the New Agreement are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned 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 relevant resolutions to be proposed as set out in the notice of the EGM.

ADDITIONAL INFORMATION

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

By order of the Board
EEKA Fashion Holdings Limited
Jin Ming
Chairman, Chief Executive Officer and Executive Director

EEKA FASHION
赢家時尚

EEKA Fashion Holdings Limited
贏家時尚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

(formerly known as Koradior Holdings Limited 珂萊蒂爾控股有限公司)

REVISION OF THE EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

9 August 2019

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular issued by the Company to the Shareholders dated 9 August 2019 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you as to whether the revision to the existing Annual Caps and the New Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole.

Red Solar Capital Limited has also been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect thereof. We wish to draw your attention to the "Letter from the Board" and the "Letter from the Independent Financial Adviser" set out in the Circular.

Having considered the revision of the existing Annual Caps and the New Agreement and the principal factors and reasons considered by, and the advice of the Independent Financial Adviser set out in its letter of advice, we consider that the revision of the existing Annual Caps and the New Agreement are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned and 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 resolutions approving the revision of the existing Annual Caps and the New Agreement at the EGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
EEKA Fashion Holdings Limited

Mr. Zhong Ming **Mr. Zhou Xiaoyu** **Mr. Zhang Guodong**

Independent non-executive Directors

The following is the full text of the letter of advice from Red Solar Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the revision of the existing Annual Caps and the New Agreement, which has been prepared for the purpose of inclusion in this circular.

綽耀資本
REDSOLAR

11/F., Kwong Fat Hong Building
No. 1 Rumsey Street, Sheung Wan
Hong Kong

9 August 2019

To: The Independent Board Committee and the Independent Shareholders of EEKA Fashion Holdings Limited (formerly known as Koradior Holdings Limited)

Dear Sirs/Madams,

REVISION OF THE EXISTING ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the revision of the existing Annual Caps and the New Agreement, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 9 August 2019 (the "**Circular**"), of which this letter of advice forms part. Unless the context requires otherwise, capitalised terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed "Definitions" in this Circular.

References are made to the announcement of the Company dated 30 November 2018 in relation to, among other things, the 2018 Agreement and the transactions contemplated thereunder, the announcement of the Company dated 25 March 2019 and the circular of the Company dated 29 April 2019 in relation to, among other things, the Acquisition Agreement and the Acquisition contemplated thereunder.

With reference to the Letter from the Board, as a result of the Acquisition, the sales volume of the Group increased as the operation and distribution networks expanded. The Board expects that the fees payable by the Group to Shenzhen Ifashion and Ganzhou Yingjia under the 2018 Agreement will increase and the existing Annual Caps under the 2018 Agreement will hence be insufficient to meet the requirements of the Group. Accordingly, on 28 June 2019, Shenzhen Koradior, Shenzhen Naresi, Ganzhou Yingjia and Shenzhen Ifashion entered into the New Agreement to, among other things, revise the Annual Caps in order to continue the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group for a term of three years commencing from 1 January 2019 up to and including 31 December 2021, superseding the 2018 Agreement.

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transactions, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transactions.

Further from the Letter from the Board, Ganzhou Yingjia is wholly-owned by Shenzhen Ifashion, which in turn is a direct wholly-owned subsidiary of Yingjia Fashion. Yingjia Fashion is owned as to 53% and 47% respectively by the mother, Ms. Chen Lingmei and the father, Mr. Jin Jingquan of Mr. Jin Ming, the chairman of the Board, chief executive officer and an executive Director of the Company. As such, Ganzhou Yingjia and Shenzhen Ifashion are connected persons of the Company. As a result, the revision of the existing Annual Caps and the transactions contemplated under the New Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the applicable percentage ratios in respect of the revision of the existing Annual Caps and the transactions contemplated under the New Agreement exceed 5% on an annual basis, the revision of the existing Annual Caps and the New Agreement are therefore subject to reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising Mr. Zhong Ming, Mr. Zhou Xiaoyu and Mr. Zhang Guodong, all being the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the revision of the existing Annual Caps and the New Agreement are entered into in the ordinary and usual course of business of the Group, on normal commercial terms, are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote in respect of the resolution(s) to approve the revision of the existing Annual Caps and the New Agreement at the EGM.

During the past two years, we have acted as the independent financial adviser to the independent board committee and independent shareholders of the Company in relation to the major and connected transactions as detailed in the Company's circular dated 29 April 2019. The past engagement was limited to providing independent advisory services to independent board committee and independent shareholders of the Company pursuant to the Listing Rules. Under the past engagement, we received normal professional fees from the Company. Notwithstanding the past engagement, as at the Latest Practicable Date, apart from the existing engagement in connection with the revision of the existing Annual Caps and the New Agreement, we did not have any business relationship with the Company. Save for the normal fees payable to us in connection with this appointment, no arrangement exists whereby we shall receive any fees or benefits from the Company and its subsidiaries or the Directors, chief executive or substantial shareholders of the Company or any of their associates (as defined in the Listing Rules). We consider ourselves independent to form our opinion in respect of the revision of the existing Annual Caps and the New Agreement.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to this Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM and the Company will notify the Shareholders as soon as possible should there be material changes of information in the Circular. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Company in this 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 this Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors collectively and individually accepted full responsibility for the accuracy of the information contained in this Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that 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 in this Circular or this Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of this 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 Group, or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the revision of the existing Annual Caps and the New Agreement. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Any subsequent developments may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of such information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving our opinion in respect of the revision of the existing Annual Caps and the New Agreement and the transactions contemplated thereunder, we have considered the following principal factors and reasons:

1. Background to and reasons for the revision of the existing Annual Caps and the New Agreement

Background information of the Group

The Company is incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. As stated in the Letter from the Board, the Group engages in the design, promotion, marketing and sales of the Group's self-owned brands womenswear products in the PRC. With reference to the annual report of the Company for the year ended 31 December 2018 (the "**2018 Annual Report**"), the Group's self-owned branded products include "Koradior", "La Koradior", "Koradior elsewhere" and "De Kora" which target affluent ladies between the ages of 30 and 45 in the PRC. In addition, the Group in 2017 entered into an exclusive distribution and marketing agreement for a term of five years in relation to products under the brands "Obzee" and "O'2nd" which cover a wide range of high-quality womenswear. O'2nd targets affluent ladies between the ages of 25 to 40 with high sensitive and details in stylish design while Obzee focuses on affluent ladies aged 30 to 50 with feminine and elegant designs. The long-term objective of the Group is to be the top player of the high-end womenswear industry in the PRC.

Financial performance and financial position of the Group

The following is a summary of the key financial information of the Group for each of the two years ended 31 December 2018 as extracted from the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of the financial position of 2018 Annual Report.

	For the year ended 31 December	
	2018	**2017**
	RMB'000	*RMB'000*
	(audited)	(audited)
Revenue	2,520,906	2,203,726
Gross Profit	1,802,960	1,561,023
Net Profit	272,314	242,583

	As at 31 December	
	2018	**2017**
	RMB'000	*RMB'000*
	(audited)	(audited)
Cash and cash equivalents	613,376	517,070
Total assets	1,754,975	1,604,887
Total liabilities	515,864	492,232
Total equity	1,239,111	1,112,655

As depicted by the above table, the revenue, gross profit and net profit of the Group for the year ended 31 December 2018 amounted to RMB2,520.9 million, RMB1,803.0 million and RMB272.3 million respectively, representing an increase of 14.4%, 15.5% and 12.3% to the revenue, gross profit and net profit of the Group for the year ended 31 December 2017 respectively. With reference to the 2018 Annual Report, the increase in revenue of the Group for the year ended 31 December 2018 was mainly attributable to the increase in revenue contribution from self-operated retail stores of the Group. For the year ended 31 December 2018, there were 641 self-operated retail stores generating revenue of RMB2,044.0 million in aggregate, which accounted for 81.1% of total revenue of the Group, representing an increase of 10.9% as compared to that for the year ended 31 December 2017. Further from the 2018 Annual Report, the revenue of the Group contributed by retail stores operated by distributors amounted to RMB257.4 million for the year ended 31 December 2018, an increase of RMB62.3 million or 32.0% compared to that for the year ended 31 December 2017. For the year ended 31 December 2018, there were 74 new retail stores operated by distributors.

As at 31 December 2018, the Group had cash and cash equivalents of RMB613.4 million representing an increase of 18.6% as compared to that as at 31 December 2017 due to increase of long-term bank borrowings. Also, the Group had total assets, total liabilities and total equity of the Group of RMB1,755.0 million, RMB515.9 million and RMB1,218.7 million respectively, representing an increase of 9.4%, 4.8% and 11.6% respectively as compared to those for the year ended 31 December 2017.

Background information of the parties of the New Agreement

Shenzhen Koradior

With reference to the Letter from the Board, Shenzhen Koradior is an indirect wholly-owned subsidiary of the Company principally engaged in the design and retail business of the "Koradior", "La Koradior" and "Koradior elsewhere" apparel brands of the Company.

Shenzhen Naersi

With reference to the Letter from the Board, Shenzhen Naersi is an indirect wholly-owned subsidiary of the Company principally engaged in the design and sale of high-end womenswear products of its self-owned brands, namely "NAERSI", "NEXY.CO" and "NAERSILING".

Ganzhou Yingjia

With reference to the Letter from the Board, Ganzhou Yingjia is a company established in the PRC principally engaged in the production and processing of womenswear via its self-operated retail stores and distributors in the PRC. It is wholly-owned by Shenzhen Ifashion, a wholly-owned subsidiary of Yingjia Fashion, and has been providing processing and manufacturing services to the Group under the 2018 Agreement.

Shenzhen Ifashion

With reference to the Letter from the Board, Shenzhen Ifashion is a company established in the PRC principally engaged in the production and processing of womenswear via its self-operated retail stores and distributors in the PRC. It is a direct wholly-owned subsidiary of Yingjia Fashion.

Reasons for the revision of the Annual Caps and the New Agreement

References are made to the announcement of the Company dated 30 November 2018 in relation to, among other things, the 2018 Agreement entered into by Shenzhen Koradior with Ganzhou Yingjia and Shenzhen Ifashion for the provision of processing and manufacturing services by Ganzhou Yingjia to the Group for a term of three years commencing from 1 January 2018 up to and including 31 December 2020.

As set out in the announcement dated on 25 March 2019 and the circular of the Company dated 29 April 2019, the Company and the Apex Noble Holdings Limited ("**the Vendor**") entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to acquire and take an assignment of, and the Vendor conditionally agreed to dispose of the sale shares, representing the entire issued share capital of Keen Reach Holdings Limited, and the shareholder's loan.

As stated in the Letter from the Board, following the Acquisition, Shenzhen Naersi has become an indirect subsidiary of the Company. The transactions between Shenzhen Naersi, Ganzhou Yingjia and Shenzhen Ifashion as contemplated under the New Agreement shall become continuing connected transactions of the Company. Further, the Acquisition is expected to increase the revenue and profitability of the Group, optimize the Group's resources and help achieve a cost synergy effect and allow the Group to expand its market share and enhance its leading market position.

With reference to the financial information of the Group and Keen Reach Holdings Limited and the subsidiary, Shenzhen Naersi instead, as set out in Appendix I and Appendix II of the Circular dated on 29 April 2019 respectively, the brands of the Group and Shenzhen Naersi have achieved favorable results for the past three years, and the Directors anticipate that there would be a consistent performance and growth for the Group.

The production and sale of high-end womenswear is one of the principal activities of the Group. As advised by the Company, as the Group does not have any in-house production facilities, the Group has, since its commencement of business in 2007, outsourced the production of its products to third party OEM contractors including Yingjia Fashion and its subsidiaries. It has always been the belief of the Company that such strategy would allow the Group to reduce the investments in fixed assets and generate a higher return on assets.

On the other hand, as stated in the Letter from the Board, the Group has a continuing focus on the production strategy to procure its own raw materials with processing arrangement through OEM contractors rather than through purchase of finished products manufactured by OEM contractors. The Directors advised that the Group could monitor and control the quality of raw materials used for production on high-end womenswear. As such, the Directors believe that and we concur with the entering into of the New Agreement commensurate with the production strategy of the Group and will benefit the Group by maintaining the Group's brand image.

Taking into account the above factors, the Directors expect that there will be an increase in the demand for processing and manufacturing services. Since the Group does not have any in-house production facilities and does not plan for establishing the production facilities to maintain the profit margin, the original Annual Caps under the 2018 Agreement would not be sufficient to meet the demands of the Group. Given the long-term cooperation with Yingjia Fashion (and Ganzhou Yingjia since 2017), their proven quality of services, the Directors consider that the provision of processing and manufacturing services offered by Ganzhou Yingjia and Shenzhen Ifashion under the New Agreement would allow Shenzhen Koradior and Shenzhen Naersi to continue to secure a stable supply of quality services which are necessary for the sales by Shenzhen Koradior and Shenzhen Naersi and to meet the rapidly increasing demand from its customers. The Group therefore entered into the New Agreement with Ganzhou Yingjia and Shenzhen Ifashion to, among others, revise the Annual Caps in relation to the provision of processing and manufacturing services to cater for the continuing expansion of the Group.

Having considered the above, we concur with the Directors that the revision of the existing Annual Caps and the New Agreement are based on normal commercial terms, in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Overview of Garment Market in China

The economy of the PRC has expanded rapidly in the past years. According to National Bureau of Statistics of China (中華人民共和國國家統計局), the gross domestic products of the PRC increased from RMB64.1 trillion in 2014 to RMB90.0 trillion in 2018, representing a compound annual growth rate ("**CAGR**") of 8.9%. Nationwide disposable income per capita increased from RMB20,167 in 2014 to RMB28,228 in 2018 with a CAGR of 8.8%, while nationwide expenditure per capita on clothing increased from RMB1,027 in 2013 to approximately RMB1,238 in 2017 with a CAGR of 4.8%.

We noted from the section "Overview of Garment Market in China" of the Valuation Report as set out in Appendix V of the Circular dated on 29 April 2019 that, China's adult garment market was worth around RMB1,457.8 billion in 2017, an increase of 5.2% year-on-year. Market value is expected to reach RMB1,592 billion by 2019. And the revenue of Chinese women's and girl's garment market was around USD109,396 million in 2017, an increase of 7.5% over the previous year. Market revenue is expected to reach USD145,100 million by 2021, represents a CAGR of 7.2% from 2019 to 2021.

2. Principal terms of the New Agreement

Principal terms of the New Agreement

The principal terms of the New Agreement are set out below:

Date: 28 June 2019

Parties:
(i) Shenzhen Koradior
(ii) Shenzhen Naersi
(iii) Ganzhou Yingjia
(iv) Shenzhen Ifashion

Term: The term of the New Agreement is three years commencing from 1 January 2019 up to and including 31 December 2021 and may be renewed upon mutual agreement between parties subject to all the requirements under the Listing Rules and other applicable laws. Shenzhen Koradior and Shenzhen Naersi have the right to terminate the New Agreement at any time before its expiration.

Subject matter

Ganzhou Yingjia and Shenzhen Ifashion have agreed to provide processing and manufacturing services to Shenzhen Koradior and Shenzhen Naersi, including but not limited to provision of certain products according to: (i) the manufacturing standards and processing techniques stipulated by Shenzhen Koradior and/or Shenzhen Naersi; or (ii) standard samples provided and confirmed by the design team of Shenzhen Koradior and/or Shenzhen Naersi.

Pricing policy:

Processing fees payable to each of Ganzhou Yingjia and Shenzhen Ifashion are determined based on the following factors:

(i) the tag price, being the expected price to be shown on the price tag label of the relevant products; and

(ii) the Garment Standard Time of the relevant products, being the time required by an average skilled worker, working at a normal pace, to perform a specified task using a prescribed method and materials.

In particular:

(a) the tag price of the relevant products is determined by the Company with reference to:

1. the historical tag price of the relevant products;

2. the market demand of the relevant products;

3. the market positioning of our brands; and

4. the market price of the relevant products.

(b) the Garment Standard Time of the relevant products is determined by Ganzhou Yingjia and Shenzhen Ifashion, and agreed by the Company, based on:

1. the observed time, being the time required for completing a specified task, for example, lathe work;

2. the complexity of the specified task required; and

3. the characteristics of different materials to be used, which may affect the complexity of the specified task.

The processing fee for normal processes done mainly by machines is 3-5% of the tag price of the relevant products. For special processes done by hand, for example, nail beads embroidery, knitting or threading, which involve longer observed time and greater complexity of the specified task required will result in a higher percentage range of processing fee, i.e. up to 7% of the tag price of the relevant products. The Directors are of the view that the aforementioned percentage range of processing fees for both normal processes and special processes are reasonable with reference to the market price for similar services.

In addition to the processing fees, additional fees may be incurred if the particular order involves (i) special packaging, for example packaging boxes for formal wear, or (ii) extra setup cost to be paid to Ganzhou Yingjia or Shenzhen Ifashion for low volume production, i.e. production of less than 400 pieces of the relevant products. The additional fees are determined in accordance with the market price, being the price of the similar services provided by Independent Third Parties in the ordinary course of business and on normal commercial terms.

Payment terms: The processing fee is payable on monthly basis by Shenzhen Koradior and Shenzhen Naersi to Ganzhou Yingjia and Shenzhen Ifashion, via bank transfer upon the presentation of the relevant invoices.

We have further reviewed other major terms of the New Agreement and are not aware of any terms which are exceptional to normal market practice. We also noted that the principal terms of the New Agreement are similar to those of the 2018 Agreement.

The terms and conditions of the New Agreement are conditional upon the approval of the Independent Shareholders and shall supersede the 2018 Agreement on the date of passing of the ordinary resolution at the EGM approving the revision of the existing Annual Caps and the New Agreement.

Basis of pricing

In order to assess the fairness and reasonableness of the pricing basis under the New Agreement, we have obtained and reviewed (i) five samples with the top five transaction amount of purchase orders and sales invoices in respect of the historical transactions between the Group and Ganzhou Yingjia and Shenzhen Ifashion under the 2018 Agreement (the "**Group's Samples**"); and (ii) five samples with the top five transaction amount of purchase orders and sales invoices entered into between the Group and independent third parties during the term of the 2018 Agreement with products of similar categories and quality for the period ended 31 May 2019 (the "**Independent Samples**"). Based on our review of the sample purchase orders and sales invoices, we noted that the costs of the orders placed by the Group to Ganzhou Yingjia and Shenzhen Ifashion were no less favorable to the Group than the costs of the orders placed by the Group to independent third parties, and were in line with the pricing basis under the New Agreement. We also noted that the pricing basis of the Group's Samples under the New Agreement are same as the Independent Samples and the payment terms are no less favorable to the Group than those entered into with independent third parties.

On the other hand, we noted that relevant internal control measures have been put in place to ensure the transactions with Ganzhou Yingjia and Shenzhen Ifashion under the New Agreement would be on normal commercial terms. The Company will develop its own estimate of processing fee based on the pricing policy mentioned above and obtain fee quotations from independent comparable OEM contractors for products which require processing services in similar quantities to determine if the price and terms offered by Ganzhou Yingjia and Shenzhen Ifashion are fair and reasonable and comparable to those offered by independent comparable OEM contractors. Based on the aforementioned internal control system of the Company, we have discussed with the management of the Company and reviewed sample documents provided by the Company (including, among other things, quotations, invoices, contracts and other related documents) with respect to the purchases of the processing and manufacturing services provided by Ganzhou Yingjia and Shenzhen Ifashion and by independent comparable OEM contractors (the "**Sample Transactions**"). Based on the review of sample documents of those Sample Transactions, we note that the pricing and payment terms of the Sample Transactions were determined in accordance with the relevant pricing policy. As such, we consider that it is effectively to monitor the transactions and ensure the transactions conducted under the New Agreement would be on normal commercial terms. For details of the other internal control measures of the Group to ensure the transactions with Ganzhou Yingjia and Shenzhen Ifashion under the New Agreement would be on normal commercial terms, please refer to the section headed "Internal control procedures" in the Letter from the Board.

Having considered the above, we concur with the Directors that the terms of the New Agreement are fair and reasonable, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

3. Revised Annual Caps under the New Agreement

Review of historical transaction amount

Set out below are the historical Annual Caps for the year ended 31 December 2018 and for the year ending 31 December 2019 respectively under the 2018 Agreement, and the actual amount incurred/paid by Shenzhen Koradior to Ganzhou Yingjia and Shenzhen Ifashion in relation to the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group for the year ended 31 December 2018 and the five months ended 31 May 2019:

Period	**Annual Caps**	**Actual amount incurred/paid by Shenzhen Koradior**	**Actual amount incurred/paid by Shenzhen Naersi** *(Note 2)*
For the year ended 31 December 2018 (Under the 2018 Agreement)	RMB75,000,000 (equivalent to HK$85,227,272)	RMB74,007,000 (equivalent to HK$84,098,863)	RMB48,765,000 (equivalent to HK$55,414,773) *(Note 3)*
For the year ending 31 December 2019 (Under the 2018 Agreement)	RMB78,000,000 (equivalent to HK$88,636,363)	RMB39,165,440 (equivalent to HK$44,506,818) *(Note 1)*	RMB40,258,000 (equivalent to HK$45,747,727) *(Note 1)*

Notes:

1. Unaudited figure for the five months ended 31 May 2019.

2. Shenzhen Naersi has only become on indirect subsidiary of the Company since 3 July 2019.

3. No amount was incurred/paid by Shenzhen Naersi from January 2018 to May 2018.

As illustrated in the above table, the historical amount incurred/paid by Shenzhen Koradior to Ganzhou Yingjia and Shenzhen Ifashion in relation to the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group for the year ended 31 December 2018 was RMB74.0 million, representing an utilization rate of 98.7% of the Annual Cap under the 2018 Agreement. The historical amount of that for the five months ended 31 May 2019 was RMB39.2 million, accounted for 50.2% of the corresponding full-year Annual Cap for the year ending 31 December 2019 under the 2018 Agreement.

Assessment of the revised Annual Caps

Set out below are the revised Annual Caps under the New Agreement for each of the three years ending 31 December 2021:

Period	Original Annual Caps under the 2018 Agreement	Revised Annual Caps under the New Agreement
For the year ending 31 December		
2018	RMB75,000,000 (equivalent to HK$85,227,273)	–
2019	RMB78,000,000 (equivalent to HK$88,636,364)	RMB195,000,000 (equivalent to HK$221,590,909)
2020	RMB80,000,000 (equivalent to HK$90,909,091)	RMB220,000,000 (equivalent to HK$250,000,000)
2021	–	RMB250,000,000 (equivalent to HK$284,090,909)

The revised Annual Caps under the New Agreement for the three years ending 31 December 2021 are RMB195 million, RMB220 million and RMB250 million, respectively. It is noted that an upward trend is generally expected by the Directors in the revised Annual Caps for the period from 1 January 2019 to 31 December 2021.

As stated in the Letter from the Board, the revised Annual Caps under the New Agreement are determined by reference to (i) the historical transaction amounts incurred/ paid by Shenzhen Koradior and/or Shenzhen Naersi for the five months ended 31 May 2019; (ii) the projected sales volume of the Group for the three years ended 31 December 2021 following the Acquisition; (iii) the anticipated synergies following the Acquistion, including the expected increase in market share and further enhancement in its market-leading position; (iv) the historical Garment Standard Time of the relevant products; and (v) the historical tag price of the relevant products.

In assessing the fairness and reasonableness of the revised Annual Caps under the New Agreement, we have discussed with the management of the Company on the bases and assumptions underlying the projection for procurement of processing and manufacturing services by the Group from Ganzhou Yingjia and Shenzhen Ifashion for the three years ending 31 December 2021. We noted that the Directors have also principally taken into account (i) the future plan and recent development of Shenzhen Koradior and Shenzhen Naersi, launching branches and developing e-commerce in order to enlarge the market share, (ii) the future unit price of the clothing product are expected to increase, and (iii) the product portfolio would be diversified and more product may involve special processing.

With reference to the audited figure in relation to the actual amount paid by Shenzhen Naersi for the year ended 31 December 2018 and unaudited figure in relation to the actual amount paid by Shenzhen Naersi for the five months ended 31 May 2019 provided by the management of the Group, we noticed that Shenzhen Naersi incurred RMB48.8 million for the year ended 31 December 2018, representing 65.9% of the amount incurred by Shenzhen Koradior for the year ended 31 December 2018. Furthermore, Shenzhen Naersi has already incurred approximately RMB 40.3 million for the five months ended 31 May 2019, which is more than the actual amount paid by Shenzhen Koradior for the same period and representing an increase approximately of 23.2 % compared with the amount incurred approximately RMB32.7 million for five months ended 31 December 2018. The Directors believes that the utilization rate of the Annual Cap under the 2018 Agreement would exceed 100% immediately upon the competition of the Acquisition. We also discussed with the Management of the Group and we are advised that the expanded production plan for different products from Shenzhen Naersi in the second half 2019 as similar as the period ended 31 May 2019. In order to in compliance with the Listing Rules, the Directors believe that the revised Annual Cap should be 2.5 times compared with the original Annual Caps and we concur with the increase of Annual Cap is reasonable.

As stated in 2018 Annual Report, as at 31 December 2018, there were 862 retails store covering 31 cities of provinces, autonomous regions and municipalities in PRC, representing a net increase of 73 retails stores compared with the year ended 31 December 2017. The Directors believe that the expanded retails network is not only increase the brand touch point of the Company in Chinese women's and girl's garment market, but also increase the market shares and sales of the product in the future. Meanwhile, as stated in 2018 Annual Report, the Company focus on developing its sales channels though using third party e-commerce platforms. E-commerce revenues for the year of 2018 amounted to RMB208.03 million, representing an increase of 33.89% or RMB52.66 million as compared to the year ended 31 December 2017. The Directors believe that the e-commerce channel is one of the growing boosters in the next few years of the Company. Furthermore, with reference to the section "Overview of Garment Market in China" of the Valuation Report as set out in Appendix V of the Circular dated on 29 April 2019, the market revenue of Chinese women's and girl's garment market is expected to reach USD145,100 million by 2021, represents a CAGR of 7.2% from 2019 to 2021. As such, the Directors believe that the cost of sales is anticipated increase in the next three years accordingly the future expansion plan and we concur with the revised Annual Caps increases by approximately 12% to 13% each year, which are mainly driven by the future market trend of Chinese women's and girl's garment market, are reasonable.

Further refer to the 2018 Annual Report, the number of research and design team members have been increase by 48 from 193 for the year ended 31 December 2017 to 241 for the year ended 31 December 2018 and the number of product series have been increased by 41 from 178 for the year ended 31 December 2017 to 219 for the year ended 31 December 2018. The Group focus on research and development and design distinct clothing product and the Directors believe that product diversification is the key to attract different customer group. Meanwhile, we concur with the management of the Group, the target customer group has not only been paid attention on the clothing's quality, but also the uniqueness. As a result, special processing procedure is generally involved into the trendy designed product to raise the uniqueness of the clothing product. As such, the Directors believe that the unit cost of the newly designed is anticipated increase in the next three years in order to maintain the competitiveness of the Group's leader's role.

Having considered the following factors (i) the historical transaction amounts incurred/paid by Shenzhen Koradior and/or Shenzhen Naersi for period, (ii) the future plan and recent development of Shenzhen Koradior and Shenzhen Naersi, launching branches and developing e-commerce in order to enlarge the market share, (iii) the future price of the clothing product are expected to increase, and (iv) the product portfolio would be diversified and more product may involve special processing. We concur with the Directors' view that the revised Annual Caps under the New Agreement are reasonably determined, are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and Shareholders as a whole.

4. Internal control procedures

According to the Letter from the Board, the Company has adopted and will continue to apply various internal control procedures to ensure the transactions with Ganzhou Yingjia and Shenzhen Ifashion under the New Agreement would be on normal commercial terms. Details of the relevant internal control procedures are disclosed under the section headed "Internal control procedures" in the Letter from the Board.

Pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the transactions contemplated under the New Agreement are subject to the following requirements:

(i) the independent non-executive Directors must review the continuing connected transactions every year and confirm in the annual report whether the transactions have been entered into:

(1) in the ordinary and usual course of business of the Group;

(2) on normal commercial terms or better; and

(3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;

(ii) the Company must engage its auditors to report on the continuing connected transaction every year. The auditors must provide a letter to the Board confirming whether anything has come to their attention that causes them to believe that the continuing connected transactions:

(1) have not been approved by the Board;

(2) were not, in all material respects, in accordance with the pricing policies of the Group if the continuing connected transactions contemplated under the New Agreement involve the provision of goods or services by the Group;

(3) were not entered into, in all material respects, in accordance with the relevant agreement governing the continuing connected transactions contemplated under the New Agreement; and

(4) have exceeded the Annual Caps.

In relation to the above, we have also reviewed the 2018 Annual Report and noted that the Company has been complying with the stipulated requirements under the Listing Rules (including both the review by the independent non-executive Directors and the auditors of the Company) for the continuing connected transactions of the Company for the financial year ended 31 December 2018.

In view of that (i) the Company has adopted and will continue to apply various internal control procedures to ensure the transactions with Ganzhou Yingjia and Shenzhen Ifashion under the New Agreement would be on normal commercial terms and (ii) the continuing connected transactions under the New Agreement will be subject to annual review of the independent non-executive Directors and the auditors of the Company, we are of the view that appropriate measures will be in place to govern the conduct of the continuing connected transactions and safeguard the interests of the Shareholders.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that the entering into of the New Agreement is conducted in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole, the terms of the New Agreement are fair and reasonable, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole, and the revised Annual Caps under the New Agreement are reasonably determined, are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the revision of the existing Annual Caps and the New Agreement and we recommend the Independent Shareholders to vote in favour of the resolution(s) in this regard.

Yours faithfully,
For and on behalf of
RED SOLAR CAPITAL LIMITED
Ernest Lam — **Leo Chan**
Managing Director — *Managing Director*

Mr. Ernest Lam is a licensed person and responsible officer of Red Solar Capital Limited registered with the SFC to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 17 years of experience in corporate finance industry.

Mr. Leo Chan is a licensed person and responsible officer of Red Solar Capital Limited registered with the SFC to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 13 years of experience in corporate finance 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors or chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register pursuant to Section 352 of the SFO; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares and underlying Shares:

Name of Director	Nature of interest	Number of Shares/ Underlying Shares held	Approximate percentage of issued share capital of the Company
Mr. Jin Ming	Founder of a discretionary trust	300,450,500 *(Note 1)*	43.86%
Ms. He Hongmei	Beneficial owner	500,000 *(Note 2)*	0.07%

Notes:

1. The entire issued share capital of Koradior Investments Limited is wholly-owned by Mayberry Marketing Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Fiona Trust. The Fiona Trust is a discretionary trust set up by Mr. Jin Ming as settlor. The beneficiaries of Fiona Trust are Mr. Jin Ming, his spouse and his children. Mr. Jin Ming as founder of Fiona Trust is taken to be interested in the 300,450,500 Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.

2. These represent the share options granted to Ms. He.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they would be taken or deemed to have under such provisions of the SFO); (b) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, so far as known to the Directors, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO.

3. DISCLOSURE OF INTERESTS OF THE SHAREHOLDERS PURSUANT TO THE SFO

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital:

Long positions in the Shares and underlying Shares

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares held	Approximate percentage of issued share capital of the Company
Koradior Investments Limited	Beneficial owner	300,450,500 *(Note 1)*	43.86%
BOS Trustee Limited	Trustee	300,450,500 *(Note 2)*	43.86%
Mayberry Marketing Limited	Interest in a controlled corporation	300,450,500 *(Note 2)*	43.86%
Jin Rui	Interest in a controlled corporation	198,713,195 *(Note 3)*	29.01%

Name of Shareholder	Capacity	Number of Shares/ Underlying Shares held	Approximate percentage of issued share capital of the Company
Apex Noble Holdings Limited	Beneficial owner	198,713,195 *(Note 3)*	29.01%
Chui Jinny	Interest in a controlled corporation	43,569,578 *(Note 4)*	6.36%
Sisu Holdings Limited	Beneficial owner	43,569,578 *(Note 4)*	6.36%

Notes:

1. The entire issued share capital of Koradior Investments Limited is wholly-owned by Mayberry Marketing Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Fiona Trust. The Fiona Trust is a discretionary trust set up by Mr. Jin Ming as settlor. The beneficiaries of Fiona Trust are Mr. Jin Ming, his spouse and his children. Mr. Jin Ming as founder of Fiona Trust is taken to be interested in the 300,450,500 Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.

2. BOS Trustee Limited as a trustee of Fiona Trust, which was established by Mr. Jin Ming as settlor in favour of the beneficiaries of Fiona Trust, held 100% of the issued share capital of Mayberry Marketing Limited, which in turn held 100% of the issued share capital of Koradior Investments Limited.

3. Apex Noble Holdings Limited is wholly owned by Mr. Jin Rui, brother of Mr. Jin Ming, the Chairman of the Board, chief executive officer and an executive Director of the Company.

4. Sisu Holdings Limited is wholly owned by Ms. Jinny Chui, an independent third party.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or held any option in respect of such capital.

4. COMPETING BUSINESS INTERESTS OF DIRECTORS

At the Latest Practicable Date, none of the Directors or their respective associates had any business or interest apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

5. DIRECTORS' MATERIAL INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENT

(a) Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2018 (being the date to which the latest published audited financial statements of the Company were made up), been (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group;

(b) None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group, save for the revision of the existing Annual Caps and/or the New Agreement in which Mr. Jin Ming, the chairman, chief executive officer and an executive Director of the Company has material interests.

Please refer to the ''Letter from the Board'' set out on pages 5 to 17 of this circular for details relating to the revision of the existing Annual Caps and/or the New Agreement.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into any service contracts with the Company or any member of the Group (excluding contracts expiring or determinable within one year without payment of compensation (other than statutory compensation)).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group or to which any member of the Group may become a party.

8. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up.

9. QUALIFICATION OF EXPERT AND CONSENT

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

Name	Qualification
Red Solar Capital Limited	A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The expert above has given and has not withdrawn its written consents to the issue of this circular with copies of its letter or report (as the case may be) and the references to its name included herein the form and context in which they respectively appear.

The letter from the above expert is given as of the date of this circular for incorporation herein.

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

As at the Latest Practicable Date, the expert above had no direct or indirect interests in any assets which have since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up) 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection from 10:00 a.m. to 5:30 p.m. on any weekdays (except for public holidays) at the principal place of business in Hong Kong of the Company at Suite 812, 8th Floor, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong, from the date of this circular up to (and including) the date of the EGM:

– the New Agreement;

– the 2018 Agreement;

– the service contracts referred to in the section headed "Service Contracts" in this appendix;

– the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 19 to 35 of this circular;

– the letter of recommendation from the Independent Board Committee, the text of which is set out on page 18 of this circular;

– the written consent letters of the expert referred to in the section headed "Qualification of Expert and Consent" in this appendix; and

– this circular.

11. MISCELLANEOUS

- The Company Secretary of the Company is Ms. Wong Wai Kiu and Mr. Leung Ka Wai is the joint Company Secretary. Ms. Wong is a fellow member of the Association of Chartered Certified Accountants and Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants.

- The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- The head office and principal place of business of the Company in the PRC is 7/F, B Block, Hongsong Building, Terra 9th Road, Futian District, Shenzhen, Guangdong Province, PRC.

- The principal place of business of the Company in Hong Kong is at Suite 812, 8th Floor, Tower 1, The Gateway, Harbour City, 25 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

- The principal share registrar and transfer office of the Company is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- The English text of this circular prevails over the Chinese text in case of inconsistency.

EEKA Fashion Holdings Limited
贏家時尚控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

(formerly known as Koradior Holdings Limited 珂萊蒂爾控股有限公司)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of EEKA Fashion Holdings Limited (the "**Company**") will be held at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong, on Monday, 26 August 2019 at 3 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions. Capitalised terms defined in the circular dated 9 August 2019 issued by the Company (the "**Circular**") of which this notice forms part shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTIONS

1. **"THAT:**

(a) the New Agreement (a copy of which has been produced to the meeting marked "**A**" and initialled by the chairman of the meeting for the purpose of identification) and the transactions contemplated under the New Agreement and the implementation thereof be and are hereby approved, ratified and confirmed;

(b) the revision of the existing Annual Caps (as set out in the Circular) be and are hereby approved; and

(c) any one of the Directors be and is hereby authorised to do all such acts and things and sign, agree, ratify, execute, perfect or deliver all such documents or instruments under hand (or where required, under the common seal of our Company together with another Director or any person authorised by the board of Directors) and take all such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to implement, give effect to or in connection with the New Agreement and any of the transactions contemplated thereunder."

By Order of the Board
EEKA Fashion Holdings Limited
Jin Ming
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 9 August 2019

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office & principal place of business in Hong Kong:
Suite 812, 8th Floor, Tower 1
The Gateway, Harbour City
25 Canton Road, Tsim Sha Tsui
Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.

2. In order to be valid, the form of proxy, must be deposited together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority, at the offices of the Company's share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.

3. For the purpose of ascertaining shareholders' entitlement to attend and vote at the extraordinary general meeting, the register of members of the Company will be closed from 21 August 2019 to 26 August 2019 (both days inclusive), during which period no transfers of shares will be registered. In order to be eligible to attend and vote at the extraordinary general meeting, all transfer documents accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 20 August 2019.

4. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the extraordinary general meeting and in such event, the relevant form of proxy shall be deemed to be revoked.

5. In compliance with the Listing Rules and the Articles of association of the Company, all resolutions set out in this notice of the extraordinary general meeting will be voted on by way of poll.

As at the date of this notice, the Board comprises Mr. Jin Ming and Ms. He Hongmei as executive Directors; Mr. Yang Weiqiang as non-executive Director; and Mr. Zhong Ming, Mr. Zhou Xiaoyu and Mr. Zhang Guodong as independent non-executive Directors.