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If you have sold or transferred all your shares of Oshidori International Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**OSHIDORI INTERNATIONAL HOLDINGS LIMITED****威華達控股有限公司****(Incorporated in Bermuda with limited liability)***(Stock code: 622)**

**CONNECTED TRANSACTION IN RELATION TO
PROPOSED ISSUE OF AWARDED SHARES TO EXECUTIVE DIRECTOR
UNDER THE SHARE AWARD SCHEME
PURSUANT TO SPECIFIC MANDATE
AND
NOTICE OF SPECIAL GENERAL MEETING**

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



Capitalised terms used in this cover page shall have the same meanings as defined in this circular unless otherwise specified.

A notice convening the SGM of the Company to be held on Wednesday, 25 March 2020 at 10:00 a.m. at The Mandarin House, Shops 202 & 203, Hyatt Centric Victoria Harbour Hong Kong, 1 North Point Estate Lane, North Point, Hong Kong is set out on pages 32 to 33 of this circular and a form of proxy for the SGM is despatched together with this circular. Whether or not you are able to attend the SGM, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

* For identification purpose only

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Award”	an award of Awarded Shares to the Grantees pursuant to the Share Award Scheme
“Awarded Shares”	the Shares awarded to the Grantees pursuant to the Award
“Board”	the board of Directors
“Company”	Oshidori International Holdings Limited (stock code: 622), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Connected Awarded Shares”	10,000,000 Awarded Shares awarded to Ms. Wong
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	22 January 2020, the date of grant of the Awarded Shares
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	any employee (whether full time or part time), consultant, executive or officers, directors (including any executive director, non-executive director and independent non-executive director) and senior management of any member of the Group as well as any customer or supplier of the Group, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group
“Grantee(s)”	the Eligible Participant(s) selected by the Board to be the grantees of the Awarded Shares pursuant to the Share Award Scheme
“Group”	the Company together with its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in relation to the Award
“Independent Financial Adviser”	Akron Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed allotment and issue of the Connected Awarded Shares to Ms. Wong
“Independent Shareholders”	any Shareholder other than controlling Shareholders and their associates or, where there are no controlling Shareholders, any Shareholder(s) other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	2 March 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Wong”	Ms. Wong Wan Men Margaret, an Executive Director of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGM”	the special general meeting of the Company to be convened and held to consider, and if thought fit, approve the grant of the Connected Awarded Shares pursuant to the Share Award Scheme to Ms. Wong
“Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of the Company
“Share Award Scheme”	the share award scheme adopted by the Company on 19 December 2019
“Shareholder(s)”	holders of the Shares

DEFINITIONS

“Specific Mandate”	the specific mandate approved by the Shareholders at the special general meeting on 19 December 2019 authorising the Board to issue and allot up to 174,352,988 new Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



OSHIDORI INTERNATIONAL HOLDINGS LIMITED

威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 622)

Executive Directors:

Mr. SAM Nickolas David Hing Cheong (*Chairman*)
Mr. WONG Yat Fai
Ms. WONG Wan Men Margaret

Non-executive Director:

Hon. SCHMITZ Joseph Edward

Independent Non-executive Directors:

Mr. CHEUNG Wing Ping
Mr. HUNG Cho Sing
Mr. CHAN Hak Kan

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:

25th Floor, China United Centre
28 Marble Road
North Point
Hong Kong

5 March 2020

To the Shareholders,

Dear Sir/Madam,

**CONNECTED TRANSACTION IN RELATION TO
PROPOSED ISSUE OF AWARDED SHARES TO EXECUTIVE DIRECTOR
UNDER THE SHARE AWARD SCHEME
PURSUANT TO SPECIFIC MANDATE**

INTRODUCTION

Reference is made to the announcement of the Company dated 22 January 2020 in relation to the Award of an aggregate of 95,000,000 Awarded Shares to 10 Grantees under the Share Award Scheme, of which, (i) 85,000,000 Awarded Shares will be awarded to 9 Grantees who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, are independent of the Company and its connected persons (save as being grantees of the members of the Group), by way of issue and allotment of new Shares pursuant to the Specific Mandate; and (ii) 10,000,000 Connected Awarded Shares will be awarded to Ms. Wong who is an Executive Director of the Company, subject to the approval by the Independent Shareholders at the forthcoming SGM, by way of issue and allotment of new Shares pursuant to the Specific Mandate.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) information regarding the Connected Awarded Shares; (ii) a letter from the Independent Board Committee to the Independent Shareholders in respect of the grant of the Connected Awarded Shares; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Connected Awarded Shares; and (iv) a notice convening the SGM together with the form of proxy and other information as required under the Listing Rules.

DETAILS OF THE GRANT OF THE AWARDED SHARES

Date of Grant	:	22 January 2020
Number of Awarded Shares granted and number of Grantees	:	95,000,000 Awarded Shares to 10 Grantees under the Share Award Scheme, of which, (i) 85,000,000 Awarded Shares will be awarded to 9 Grantees who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, are independent of the Company and its connected persons (save as being grantees of the members of the Group), by way of issue and allotment of new Shares pursuant to the Specific Mandate; and (ii) 10,000,000 Awarded Shares will be awarded to Ms. Wong who is an Executive Director of the Company, subject to the approval by the Independent Shareholders at the forthcoming SGM, by way of issue and allotment of new Shares pursuant to the Specific Mandate.
Market value of the Awarded Shares	:	Based on the closing price of HK\$0.85 per Share as quoted on the Stock Exchange as at the Date of Grant, the market value of 85,000,000 Awarded Shares to the independent Grantees and 10,000,000 Connected Awarded Shares are HK\$72,250,000 and HK\$8,500,000 respectively.
Nominal value of the Awarded Shares	:	HK\$4,750,000
Consideration	:	The Grantees are not required to pay any consideration for the grant of Awarded Shares. No funds will be raised by the Company as a result of the allotment and issue of the Awarded Shares.
Vesting	:	All Awarded Shares shall be vested on the fourth anniversary of the Date of the Grant.

LETTER FROM THE BOARD

Basis of the Award

The Share Award Scheme forms part of the incentive schemes of the Company and provides an additional means for the Company to motivate the Eligible Participants.

The purpose of the grant of the Awarded Shares is to provide the Grantees with the opportunity to acquire proprietary interests in the Company. It acts as incentives for the contribution of the Grantees to the Group and serves as a flexible means to attract, retain and remunerate Eligible Participants to work towards enhancing the value of the Group and is thus in the best commercial interests of the Shareholders. Therefore, the Share Award Scheme and the transactions thereunder are based on normal commercial terms and in the ordinary and usual course of business of the Group.

In determining the Awarded Shares, the Company has mainly considered the following factors:

- (a) potential contribution to developing the integrated resort (the “IR”) project in Japan including experience in operations of integrated resort business, extensive network of contacts, Japanese culture and knowledge, language advantages, supportive work, etc.;
- (b) contribution to the Group in the past;
- (c) the seniority and the importance of the work position involving core business of the Group (i.e. revenue generating nature);
- (d) individuals with a high caliber, and their respective educational background, and work experience; and
- (e) term of relationship with the Group.

The Grantees have contributed significant value in assisting and developing the IR project, especially in the Group’s submission of the request-for-concept proposal to the relevant Japanese government authorities on 10 January 2020. Therefore, the Company intends to incentivize and reward the Grantees and align their interests with those of the Company. Unlike other short-term awards such as annual bonus or other similar arrangements in the form of cash, the grant of Awarded Shares will not result in net cash outflow from the Company.

LETTER FROM THE BOARD

Award to Executive Director of the Company

The information of the Connected Awarded Shares is as below:

Name of Grantee	Relationship with the Group	Number of Connected Awarded Shares to be granted	Approximate percentage of the total issued Shares as at the Latest Practicable Date
Ms. Wong	Executive Director	10,000,000	0.17%

The market value of the Connected Awarded Shares amounted to (i) HK\$8,500,000 based on the closing price of the Shares of HK\$0.85 per Share as at the Date of Grant; and (ii) HK\$7,400,000 based on the closing price of the Shares of HK\$0.74 as at the Latest Practicable Date.

The Connected Awarded Shares, when allotted and issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment and issue.

The allotment and issue of the Connected Awarded Shares to Ms. Wong will constitute a connected transaction on the part of the Company and will be subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The grant of the Connected Awarded Shares to Ms. Wong has been approved by the Board, except for Ms. Wong who is one of the Grantees and who has abstained from voting on the Board resolution approving the grant of Connected Awarded Shares to herself.

Conditions

The allotment and issue of 10,000,000 Connected Awarded Shares to Ms. Wong shall be subject to the following conditions:

- (a) the approval by the Independent Shareholders at the SGM in respect of the allotment and issue of the Connected Awarded Shares to Ms. Wong; and
- (b) the grant of the listing approval by the Stock Exchange in respect of the Connected Awarded Shares.

Application will be made by the Company to the Stock Exchange for the granting of the listing of, and permission to deal in, 10,000,000 Connected Awarded Shares in due course.

LETTER FROM THE BOARD

Effects on the Shareholding Structure of the Company

The shareholding structure of the Company as at the Latest Practicable Date and immediately after the allotment and issue of the Connected Awarded Shares (assuming no other change in the issued share capital of the Company other than the allotment and issue of the Connected Awarded Shares) is as follows:

Name of Shareholders	As at Latest Practicable Date		Immediately after the issuance of the Connected Awarded Shares (assuming no other change in the issued share capital of the Company)	
	<i>Number of Shares held</i>	<i>Approximate percentage of the issued share capital of the Company</i>	<i>Number of Shares held</i>	<i>Approximate percentage of the issued share capital of the Company</i>
<i>Director of the Company</i>				
Ms. Wong	—	—	10,000,000	0.17%
<i>Substantial Shareholders</i>				
Peak Trust Company-NV	1,151,976,600	19.82%	1,151,976,600	19.79%
VMS Investment Group Limited	575,003,000	9.89%	575,003,000	9.88%
<i>Public Shareholders</i>				
	4,084,786,682	70.29%	4,084,786,682	70.16%
Total	5,811,766,282	100%	5,821,766,282	100%

Note:

Ms. Mak Siu Hang, Viola holds 100% of the equity interest in VMS Investment Group Limited. Therefore, Ms. Mak Siu Hang, Viola deemed to be interested in all these 575,003,000 Shares of the Company which are owned by VMS Investment Group Limited under the SFO.

LETTER FROM THE BOARD

Reasons for the Award of the Connected Awarded Shares

The Group principally engages in investment holdings, trading and investment in securities, and the provisions of (i) securities brokerage services, (ii) placing and underwriting services, (iii) corporate finance advisory services, (iv) money lending services, (v) investment advisory and asset management services, and (vi) margin financing services.

The Directors intend to diversify the Company's investment portfolio and explore potential investment opportunities in fintech, lifestyle, real estate and integrated resort projects in other regions including but not limited to Japan.

As at the Latest Practicable Date, certain prefectures of Japan expressed their interest in the establishment of an integrated resort and finished their respective request-for-concept (the "RFC") process. At local government level, the RFC proposal is to (i) invite private business operators who intend to implement the IR project to submit project concept proposals at an early stage; and (ii) ensure that the request-for-proposal will take place promptly after the national government of Japan determines its basic policies. The local government will select a private business operator through public bidding/selection procedures. The local government and the selected operator will jointly prepare a plan for the development of the specified complex tourist facilities area. The local government will then submit an application for certification to the national government of Japan.

The Company registered as the participant of the RFC process in one of the prefectures in Japan and submitted a proposal to the relevant Japanese government authority in January 2020. The Company's RFC proposal features an overall concept of the proposed integrated resort including facility designs, marketing and operation policies.

As at the Latest Practicable Date, the national government of Japan is finalizing its IR basic policy and local governments will finalize and release their respective IR implementation policy in the near future. Therefore, the Company is vigorously monitoring the relevant updates from the government authorities in Japan.

The potential IR project in Japan can create a new business segment and potentially add a new revenue stream to the Group. There have been negotiations between the Group's representatives and various regional and central government officials in Japan. The Company is currently undertaking initial preparatory planning for potentially developing an IR project with facilities including accommodation facilities, exhibition facilities, conference facilities and other entertainment facilities in Japan.

However, there will be no guarantee that the Company will become the bid winner of the IR project. Shareholders and potential investors are therefore reminded to exercise caution when dealing in the Shares of the Company.

LETTER FROM THE BOARD

Under the Share Award Scheme, the Company is empowered to award Awarded Shares to Eligible Participants in order to (i) provide incentives for the Grantees to work for or join the Group or continuously make substantial contributions for the long-term growth of the Group in the future; (ii) attract more talented participants who are experienced in operations of integrated resort business and may be beneficial to the growth and development of the Group; (iii) attract service providers or suppliers to assist the Group in its proposal to the Government of Japan for developing and operating an integrated resort and (iv) retain the talented Grantees who may be beneficial to the growth and development of the Group.

For the reasons given below, the Board (excluding Ms. Wong) believes the grant of Connected Awarded Shares to Ms. Wong is in the interest of the Company, and the Shareholders as a whole. The profile of Ms. Wong is as follows:

Position at the Company	:	Executive Director
Years of service	:	12 years with the Company's wholly owned subsidiary 7 years with the Company
Role in the IR project	:	Ms. Wong is responsible for the corporate finance matters in the IR project.
Working experience	:	Ms. Wong has over 10 years' extensive experience in corporate finance advisory. Prior to joining the Group, she held senior positions in the corporate finance advisory division of several financial services groups in Hong Kong. Ms. Wong is a responsible officer for type 1 (dealing in securities) regulated activities and type 6 (advising on corporate finance) regulated activities under the SFO. Her contributions to financial services business of the Group have been greatly valued by the Company and she was promoted to take up the role of Executive Director of the Company on 28 January 2019.
Education	:	Ms. Wong graduated from the Chinese University of Hong Kong with Bachelor's Degree of Social Science in Economics with Honours.
Remuneration	:	Ms. Wong did not enter into any service contract with the Company and did not receive any additional fee and salary for joining the Board of the Company in January 2019.

LETTER FROM THE BOARD

As disclosed in the profit warning announcement of 4 February 2020, the Group is expected to record a significant increase in loss for the year ended 31 December 2019 (the “**Current Year**”) which is mainly attributable to unrealised losses on financial assets at fair value through profit or loss (“**FVPL**”) from securities trading and investment of HK\$436.6 million. However, the Group did record a realised gain on financial assets at FVPL for the Current Year amounting to HK\$106.1 million as compared to the realised losses of HK\$301.2 million for the year ended 31 December 2018 (the “**Previous Year**”). In addition, the Group is expected to record a significant increase in (i) interest income from margin financing services amounting to HK\$29.9 million (2018: HK\$16.4 million), representing a significant increase of 82.0% as compared to the Previous Year; and (ii) interest income from money lending services amounting to HK\$49.4 million (2018: HK\$22.4 million), representing a significant increase of 120.7% as compared to the Previous Year. Accordingly, the Directors (save for Ms. Wong) consider it is appropriate to grant the Connected Awarded Shares to Ms. Wong given the following reasons.

Ms. Wong joined the Company’s financial services arm in 2008 and led numerous fund-raising activities including the sub-underwriting of the H-shares of Ping An Insurance (Group) Company of China, Ltd. in cooperation with Morgan Stanley. In addition, Ms. Wong facilitated the Company to raise gross proceeds of over HK\$2.5 billion from various fund raising exercises for the past three years, and successfully obtained credit facilities amounting to USD108 million for the Group from various international investment banks namely Morgan Stanley, UBS, Bank J. Safra Sarasin, and Julius Baer. She has also made material contribution to the Group’s IR project.

Ms. Wong is responsible for the corporate finance matters in the IR project. The Company considers that Ms. Wong’s extensive experience in corporate finance and broad network of contacts with the international investment banks will facilitate the planning and implementation of the fund-raising activities for the IR project.

The grant of the Connected Awarded Shares to Ms. Wong is not only a reward and recognition of her past contributions since joining the Group, but also an incentive for her to continue to stay in the Group and continue her valued contributions to assist in the successful implementation of the IR project. Accordingly, the Company intends to grant 10,000,000 Awarded Shares to Ms. Wong.

Financial effects of the grant of the Connected Awarded Shares

The financial effect of the grant of the Connected Awarded Shares on the Group’s consolidated financial statements is based on the market value of the Connected Awarded Shares in the sum of HK\$8,500,000 as at the Date of Grant. Details of the financial effect are set out below:

LETTER FROM THE BOARD

Earnings

According to the latest published audited financial statements of the Company for the Previous Year, the Group recorded consolidated loss of approximately HK\$1.4 million for the Previous Year. The issue and allotment of the Connected Awarded Shares will further increase the loss of the Group after deducting the expenses relating to the allotment and issue of the Connected Awarded Shares of HK\$8,500,000 in aggregate, which is calculated using the closing price of the Shares of HK\$0.85 per Share as at the Date of Grant.

Net asset value

According to the latest published audited financial statements of the Company for the Previous Year, the Group's net asset value amounted to approximately HK\$6.5 billion, and the Group's net asset value per Share was approximately HK\$1.118. Upon the issue and allotment of the Connected Awarded Shares, the share capital and the reserves of the Group would increase by the amount equivalent to the fair value in respect of the Connected Awarded Shares, and the same amount will be recognised in the Group's consolidated statement of profit and loss as expenses. The total net assets of the Company would remain unchanged.

Cash flow

According to the latest published audited financial statements of the Company for the Previous Year, the Group had cash and cash equivalents of approximately HK\$1.4 billion as at 31 December 2018. The issue and allotment of the Connected Awarded Shares will have no effect on the cash flow of the Group other than the expenses relating to the issue and allotment of the Connected Awarded Shares.

There will not be any actual cash outflow by the Group under the grant of the Connected Awarded Shares. In this regard, the Directors (including the independent non-executive Directors and excluding Ms. Wong who is the Grantee) consider that the grant of the Connected Awarded Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Ms. Wong has abstained from voting on the board resolution to approve the grant of the Connected Awarded Shares to herself.

LETTER FROM THE BOARD

LISTING RULES IMPLICATION

Ms. Wong is an executive Director of the Company and a connected person of the Company. The issue and allotment of 10,000,000 Connected Awarded Shares to Ms. Wong under the Share Award Scheme will constitute a connected transaction on the part of the Company under Chapter 14A of the Listing Rules and shall be subject to, among others, the approval by the Independent Shareholders at the SGM.

Pursuant to the Listing Rules, the resolution proposed at the SGM will be taken by way of poll and an announcement on the poll vote results of the SGM will be made by the Company after the SGM.

Pursuant to Rule 14A.36 of the Listing Rules, any Shareholder with a material interest in the relevant connected transaction is required to abstain from voting on the relevant resolution at the SGM. As at the Latest Practicable Date, Ms. Wong and her associates hold no Shares of the Company.

To the best of the Directors' knowledge, information and belief, no Shareholders has a material interest in the Award of Connected Awarded Shares and accordingly none of them is required to abstain from voting on the resolution to approve the grant of the Connected Awarded Shares pursuant to the Share Award Scheme to Ms. Wong at the SGM.

SGM

The SGM will be held to consider and, if thought fit, passing the ordinary resolution to approve the grant of the Connected Awarded Shares pursuant to the Share Award Scheme to Ms. Wong.

A notice convening the SGM of the Company to be held at The Mandarin House, Shops 202 & 203, Hyatt Centric Victoria Harbour Hong Kong, 1 North Point Estate Lane, North Point, Hong Kong at 10:00 a.m. on Wednesday, 25 March 2020 is set out on pages 32 to 33 of this circular. A form of proxy for use by the Shareholders at the SGM is enclosed.

For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 20 March 2020 to Wednesday, 25 March 2020, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the SGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor., Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 19 March 2020.

Whether or not you intend to attend and vote at the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the SGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the resolution set out in the notice of the SGM will be put to vote by way of poll at the SGM. An announcement on the poll vote results will be made by the Company after the SGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Cheung Wing Ping, Mr. Hung Cho Sing and Mr. Chan Hak Kan, all being the independent non-executive Directors, has been formed to advise the Shareholders on whether the grant of the Connected Awarded Shares to Ms. Wong is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and how to vote on the resolution at the SGM. Akron Corporate Finance Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

RECOMMENDATION

The Directors (including the independent non-executive Directors and excluding Ms. Wong who is the Grantee) consider that the issue and allotment of the Connected Awarded Shares and the grant of the Connected Awarded Shares to Ms. Wong is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors and excluding Ms. Wong who is the Grantee) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the Connected Awarded Shares to Ms. Wong.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 15 to 16 of this circular, which contains its recommendation to the Independent Shareholders as to the grant of the Connected Awarded Shares to Ms. Wong; and (ii) the letter from Akron Corporate Finance Limited set out on pages 17 to 27 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the grant of the Connected Awarded Shares and the principal factors and reasons considered by it in arriving at its opinions.

GENERAL

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

By order of the Board
Oshidori International Holdings Limited
Sam Nickolas David Hing Cheong
Chairman



OSHIDORI INTERNATIONAL HOLDINGS LIMITED
威華達控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 622)

5 March 2020

To the Independent Shareholders,

Dear Sir/Madam,

**CONNECTED TRANSACTION IN RELATION TO
PROPOSED ISSUE OF AWARDED SHARES TO EXECUTIVE DIRECTOR
UNDER THE SHARE AWARD SCHEME
PURSUANT TO SPECIFIC MANDATE**

We refer to the circular of the Company dated 5 March 2020 (the “**Circular**”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you on whether the grant of the Connected Awarded Shares to Ms. Wong is fair and reasonable and in the interests of the Company and the Shareholders as a whole and how to vote on the resolution at the SGM. Akron Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board set out on pages 4 to 14 of the Circular and the letter from Independent Financial Adviser set out on pages 17 to 27 of the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular and the additional information set out in the appendix thereto.

Having taken into account (i) the terms and conditions of the connected transaction, and (ii) the advice and recommendations of Independent Financial Adviser as set out from pages 17 to 27 of the Circular, we are of the opinion that the grant of the Connected Awarded Shares to Ms. Wong is in the ordinary and usual course of business of the Group, and the terms of such grant are on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of 10,000,000 Connected Awarded Shares to Ms. Wong.

Yours faithfully,

Independent Board Committee

Mr. Cheung Wing Ping
Independent non-executive
Director

Mr. Hung Cho Sing
Independent non-executive
Director

Mr. Chan Hak Kan
Independent non-executive
Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Grant (as defined below) and is prepared for inclusion in this circular.



5 March 2020

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION IN RELATION TO PROPOSED ISSUE OF AWARDED SHARES TO EXECUTIVE DIRECTOR UNDER THE SHARE AWARD SCHEME PURSUANT TO SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the connected transaction in relation to issue and allotment of 10,000,000 Connected Awarded Shares to Ms. Wong (the “**Connected Grant**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular issued by the Company to its Shareholders dated 5 March 2020 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 22 January 2020, the Board resolved to award an aggregate of 95,000,000 Awarded Shares to 10 Grantees under the Share Award Scheme, of which, (i) 85,000,000 Awarded Shares will be awarded to 9 Grantees who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are independent of the Company and its connected persons (save as being grantees of the members of the Group), by way of issue and allotment of new Shares pursuant to the Specific Mandate; and (ii) 10,000,000 Connected Awarded Shares will be awarded to Ms. Wong by way of issue and allotment of new Shares pursuant to the Specific Mandate.

As Ms. Wong, being an executive Director of the Company, is a connected person of the Company, the issue and allotment of the Connected Awarded Shares to her constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the approval by the Independent Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Cheung Wing Ping, Mr. Hung Cho Sing and Mr. Chan Hak Kan, all being independent non-executive Directors of the Company, has been established to advise the Independent Shareholders in relation to the Connected Grant. We, Akron Corporate Finance Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

We are not connected with the directors, chief executive and substantial shareholders of the Company or any of their respective subsidiaries or their respective associates and do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date. During the last two years, we were engaged as the independent financial adviser to the Company (the “**Previous Engagement**”) in respect of the proposed rights issue, details of which are set out in the circular of the Company dated 28 May 2018. Under the Previous Engagement, we were required to express our opinion and give recommendation to the independent board committee and independent shareholders in respect of the rights issue. Apart from normal professional fees paid or payable to us in connection with the Previous Engagement and this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to the Listing Rules.

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinion and representations contained or referred to in the Circular and the statements, information, opinion and representations provided to us by the management of the Company (the “**Management**”) and the Directors. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Management and the Directors, for which they are solely and wholly responsible, were true, accurate and complete at the time when they were made and continue to be so as at the date of the SGM, and the Shareholders will be informed of any material change of information in the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors as set out in the Circular were reasonably made after due and careful inquiry 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 representations contained in the Circular.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the 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 the Circular or the Circular as a whole misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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 of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Connected Grant. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) 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. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Akron Corporate Finance Limited to ensure that such information has been correctly extracted from relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Connected Grant, we have taken into consideration the following factors and reasons:

1. Background and financial information of the Group

The Group principally engages in investment holdings, trading and investment in securities, and the provisions of (i) securities brokerage services, (ii) placing and underwriting services, (iii) corporate finance advisory services, (iv) money lending services, (v) investment advisory and asset management services, and (vi) margin financing services.

We set out below a summary of the key financial information of the Group for the years ended 31 December 2017 (the “AR2017”) and 2018 (the “AR2018”) and six months ended 30 June 2018 (the “IR2018”) and 2019 (the “IR2019”) as extracted from the annual report of the Company for AR2018 (the “2018 Annual Report”) and the interim report of the Company for IR2019 (the “2019 Interim Report”) respectively.

	For the six months ended		For the years ended	
	30 June		31 December	
	2019	2018	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(audited)	(audited)
		(Represented)		(Represented)
Revenue	205,642	(259,821)	(94,493)	55,472
(Loss)/Profit before taxation	(200,948)	(271,846)	(21,241)	86,308
(Loss)/Profit for the year/period	(198,697)	(225,256)	(1,376)	21,289
Financial services segment				
Segment revenue	30,614	2,154	19,279	34,915
Segment profit/(loss)	12,499	(11,333)	(14,042)	10,842

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

AR2018

For AR2018, the Group recorded a decrease of the segment revenue of financial services business from approximately HK\$34.9 million for AR2017 to approximately HK\$19.3 million for AR2018, representing decrease of approximately 44.7%.

As mentioned in the 2018 Annual Report, an ever-increasing number of SFC licensed corporations and new applicants to the industry has intensified market competition in the financial services industry in Hong Kong and contributed to decline in revenue for the provision of financial services.

The financial services business recorded a loss of approximately HK\$14.0 million for AR2018, as compared with the profit of approximately HK\$10.8 million for AR2017. The loss of the financial services business is attributable to the decrease in revenue from placing and underwriting services, and margin financing services.

IR2019

For IR2019, the revenue of the financial services segment surged by approximately 12.9 times from approximately HK\$2.2 million for IR2018 to approximately HK\$30.6 million for IR2019. In addition, the financial services segment recorded a profit of approximately HK\$12.5 million for IR2019 as compared with a loss of approximately HK\$11.3 million for IR2018.

According to the 2019 Interim report, the improvement of the financial services business is attributable to the increase in interest income generated from provision of margin financing services from approximately HK\$1.5 million for IR2018 to approximately HK\$29.1 million for IR2019, representing a substantial increase of approximately 18.4 times. The surge in interest income generated from provision of margin financing in IR2019 is attributable to the increase in securities trading and margin loan from clients.

2. Reasons for and benefits of the Connected Grant

The Group has 3 operating segments, namely (i) financial services; (ii) securities trading and investments; and (iii) money lending.

The Directors intend to diversify the Company's investment portfolio and explore potential investment opportunities in fintech, lifestyle, real estate and integrated resort projects in other regions including but not limited to Japan. Currently, the Group is in the course of preparing for potentially developing an integrated resort project in Japan (the "**IR Project**").

As set out in the Board Letter, the grant of the Awarded Shares (including the Connected Awarded Shares) (i) provide incentives for the Grantees to work for or join the Group or continuously make substantial contributions for the long-term growth of the Group in the future; (ii) attract more talented participants who are experienced in operations of integrated resort business and may be beneficial to the growth and development of the Group; (iii) attract service providers or suppliers to assist the Group in its proposal to the Government of Japan for developing and operating an integrated resort; and (iv) retain the talented Grantees who may be beneficial to the growth and development of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Board considers the Connected Grant as an incentive scheme of the Group to recognize the contribution of Ms. Wong and to retain and motivate Ms. Wong to commit and strive for the future growth of the Group.

As stated in the paragraph headed “Basis of the Award” in the Board Letter, the grant of the Awarded Shares was determined based on various factors, including the (i) potential contribution to developing the IR Project; (ii) past contribution to the Group; (iii) the seniority and importance of the work position; (iv) education background and working experience; and (v) term of relationship with the Group.

We have enquired the Company as to the experiences, roles and responsibilities of Ms. Wong. As advised by the Company, Ms. Wong joined the Company’s financial services arm in 2008 and joined the Group as a result of the Company’s acquisition of the financial services business in 2013. Ms. Wong was promoted to take up the role of executive Director since January 2019. Hence, Ms. Wong has worked in the Company’s financial services arm for 12 years and the Group for 7 years. She is also a responsible officer for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO.

We are advised by the Company that Ms. Wong has made remarkable contribution to the Group and led numerous fund-raising activities including (i) the sub-underwriting of the H-shares of Ping An Insurance (Group) Company of China, Ltd. in cooperation with Morgan Stanley; (ii) Ms. Wong facilitated the Company to raise gross proceeds of over HK\$2.5 billion from various fund raising exercises for the past three years; and (iii) during 2017 to 2020, Ms. Wong successfully obtained credit facilities for the Group with aggregate amount of approximately USD108 million from various international investment banks namely Morgan Stanley Asia International Limited, UBS AG Hong Kong, Bank J. Safra Sarasin Ltd., Hong Kong Branch and Bank Julius Baer (item (i) to (iii) are collectively referred to as “**Financing Contribution**”).

Besides, Ms. Wong is also responsible for the corporate finance matters in the IR Project. Ms. Wong has broad network of business contacts with international investment banks and extensive experience in corporate finance as evidenced by the Financing Contribution as discussed above. In this connection, the Company considers that the experience, expertise and business connections of Ms. Wong will facilitate the planning and implementation of the fund-raising activities for the IR Project and on-going contribution from Ms. Wong is instrumental in assisting the development of the IR Project.

In view of the significant contribution and extensive experience of Ms. Wong and the business pursuit of the Group in the potential development of the IR Project, we consider that the reasons for the grant of the Connected Awarded Shares are two-fold. The Connected Grant does not merely serve as a recognition of the efforts and contribution made by Ms. Wong, it is also intended to allow the Group to retain and motivate Ms. Wong for her commitment in the continual operation and development of the Group and to make valuable contributions to assist in the successful implementation of the IR Project. As the Connected Awarded Shares shall vest on the fourth anniversary of the Date of Grant (the “**Vesting Period**”), the grant of Connected Award Shares shall motivate Ms. Wong to continue serving in the Group during the Vesting Period.

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As disclosed in the announcement of the Company dated 4 February 2020, we note that the Group is expected to record a significant increase in loss (the “**Loss**”) from approximately HK\$1.4 million for AR2018 to approximately HK\$272.7 million for the year ended 31 December 2019 (“**AR2019**”). The significant increase in loss is mainly attributable to the unrealised losses (the “**Unrealised Losses**”) on financial assets at fair value through profit or loss (“**FVPL**”) from securities trading and investment of HK\$436.6 million for AR2019 as compared to the unrealised gain on financial assets at FVPL of HK\$183.2 million for AR2018. We consider that the Unrealised Losses is a non-cash and an unrealised item which does not affect the cash position of the Group and represents a paper loss as opposed to losses incurred from daily operation of the Group.

In addition, with reference to the Board Letter, for AR2019, the Group is indeed expected to record a significant increase in interest income from margin financing service and money lending service by approximately 82.0% and 120.7% respectively as compared to AR2018. Furthermore, upon our enquiry with the Management, we are given to understand that the Group is expected to record a realised gain on financial assets at FVPL of approximately HK\$106.1 million for AR2019 as compare to the realised loss on financial assets at FVPL of approximately HK\$301.2 million for AR2018.

After taking into account of, (i) the expected revenue improvement of financial services and money lending businesses in AR2019; (ii) the expected surge in revenue from the realized investments in AR2019; (iii) the Unrealised Loss is only a paper loss of the Group; (iv) past and expected contribution of Ms. Wong as discussed above; and (v) the stability in key personnel with sufficient qualifications and experience is vital to future development of the Group, we believe that the Loss for AR2019 should not affect the Connected Grant made to Ms. Wong.

We note that there is no performance requirement on the Connected Grant other than the Vesting Period. Based on our analysis as discussed in the section headed “Principal terms of the Connected Grant” below, the Connected Grant without performance requirement is consistent with the market practice. Notwithstanding there is no performance requirement on the Connected Grant, with the Vesting Period, the final realisable value of the Connected Awarded Shares will be dependent on the future price performance of the Shares. We consider that the Vesting Period will align the interest of Ms. Wong with the Company together with the Shareholders and motivate Ms. Wong to contribute towards the development of the Group.

With reference to the Board Letter, save for the number of Awarded Shares granted to the Grantees (including Ms. Wong and 9 independent Grantees), other terms of the Awarded Shares are similar which will be subject to the rules of the Share Award Scheme. We note that all Grantees are not subject to any performance requirement other than the Vesting Period. Hence, Ms. Wong is not better-off than the other 9 independent Grantees. We also note that the Connected Grant has been approved by all members of the remuneration committee.

In this regard, we concur with the Directors’ view that the terms and conditions of the Connected Grant are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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As confirmed by the Company, as at the Latest Practicable Date, save for the Connected Grant, the Board has no present intention to grant any additional Awarded Shares to Ms. Wong. Pursuant to the Share Award Scheme, the maximum number of the Awarded Shares (including both vested and non-vested Shares) which may be granted to any selected grantee shall not exceed 1% of the issued share capital of the Company as at the date of grant of the Award. In addition to the aforesaid limitation, the Board has sole discretion to determine the eligibility of Ms. Wong or any person for future grant of the Awarded Shares. Any future grant of the Awarded Shares under the Share Award Scheme to Ms. Wong shall be subject to the then assessment of the Board regarding the then contribution of Ms. Wong to the Group and such grant will only be made when the Board considers to be appropriate. In the future, if any grant of Awarded Shares is proposed to be made to Ms. Wong or any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such requirements of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

As advised by the Management, the Board had also considered different incentive schemes to Ms. Wong, such as cash bonus and remuneration increment (the "Alternatives"). The Directors are of the view that the grant of Connected Awarded Shares to Ms. Wong is the most appropriate given that the Alternatives will incur outflow of cash from the Group and impose pressure on the cash flow position of the Group. As opposed to the Alternatives, the Connected Grant enables the Company to prevent cash outflow while allowing added incentive to Ms. Wong to be in line with the Shareholders. Furthermore, the economic benefit of the Connected Awarded Shares is dependent on the improvement in the performance of the Group and hence the Connected Awarded Shares provide better incentive to motivate Ms. Wong to strive for the growth of the Group consistently.

Taking into account the above, we concur with the Board that the Connected Grant shall motivate and retain Ms. Wong (being one of the important talent for the Group) to further contribute to the Group and therefore is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Connected Grant

The key terms of the Connected Grant are set out under the section headed "Details of the Grant of the Awarded Shares" of the Board Letter.

Comparison with awarded shares/restricted awarded shares of other companies

In order to assess the fairness and reasonableness of the terms of the Connected Grant, we have, on a best effort basis, conducted a search of comparable companies which had announced the grant of awarded shares/restricted awarded shares to their employees for the period from 1 October 2019 up to and including the Date of Grant (being approximately three months period prior to the Date of Grant, which is commonly used for analysis purpose) by desktop search through published information on the Stock Exchange's website. To the best of our knowledge, we have found 18 comparable companies (the "Comparables")

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To the best of our knowledge, effort and endeavor and based on our search conducted according to the aforesaid criteria, the list of Comparables meeting the aforesaid criteria is exhaustive. Shareholders should note that the size, business nature, scale of operations and prospects of the Company are not exactly the same as the Comparables and we have not conducted any in-depth investigation into the size, business nature, scale of operations and prospects of the Comparables. Nevertheless, given that this analysis is aiming at taking a general reference to the recent market practice in relation to similar type of transactions, we consider that our comparable analysis on the terms of the Connected Grant without limiting to companies that are with similar size, business nature and scale of operations as that of the Group is fair and reasonable and useful for the Independent Shareholders' reference. We set out our findings in the table below:

Item no.	Date of announcement	Company name	Stock code	Grantee(s)	Percentage of total number of awarded shares/restricted awarded shares to total number of shares in issue on the date of the announcement (Approx.) (Note 1)	Market value of total awarded shares/restricted awarded shares as at the date of the announcement (HK\$' million) (Approx.) (Note 2)	Timing of vesting	Vesting period (Approx.)	Vesting condition/Performance requirement
1	21 January 2020	Edvantage Group Holdings Limited	382	17 grantees (including 9 connected persons)	0.18	9.0	Not disclosed	Not disclosed	Not disclosed
2	20 January 2020	Tang Palace (China) Holdings Limited	1181	2 grantees	0.20	2.6	Not disclosed	Not disclosed	Nil
3	15 January 2020	Alibaba Pictures Group Limited	1060	18 grantees	0.05	18.8	Not disclosed	Not disclosed	Nil
4	15 January 2020	BC Technology Group Limited	863	4 grantees	1.16	24.5	Approx. 66.7% on 3 September 2020 Approx. 33.3% on 3 September 2021	8 to 20 months	Not disclosed
5	13 January 2020	NetDragon Websoft Holdings Limited	777	1 grantee who is connected person	0.02	2.5	Vest immediately	Vest immediately	Nil
6	8 January 2020	China Modern Dairy Holdings Ltd.	1117	58 grantees (including 2 connected persons)	0.31	22.8	Not disclosed	Not disclosed	Not disclosed
7	6 January 2020	Xiaomi Corporation	1810	1,646 grantees	0.20	537.2	Vest between 6 January 2021 to 6 January 2024	1 to 4 years	Not disclosed
8	30 December 2019	Galaxy Entertainment Group Limited	27	certain number of grantees (including 6 connected persons)	0.06	155.3	Approx. 29.9% on 30 December 2020 Approx. 29.9% on 30 December 2021 Approx. 40.2% on 30 December 2022	1 to 3 years	Not disclosed
9	13 December 2019	Sun Entertainment Group Limited	8082	1 grantee who is connected person	0.24	2.0	Approx. 66.7% vest immediately Approx. 33.3% vest upon fulfilment of certain financial performance within 3 years from the date of grant (the "Financial Performance")	0 to 3 years	Financial Performance
10	9 December 2019	AGTech Holdings Limited	8279	18 grantees (including 1 executive director and certain connected persons)	0.14	5.1	For executive director: 25% on 1 April 2020 25% on 1 April 2021 25% on 1 April 2022 25% on 1 April 2023 For other grantees: 50% from 16 May 2021 to 5 Dec 2021 25% from 16 May 2022 to 5 Dec 2022 25% from 16 May 2023 to 5 Dec 2023	4 months to 4 years	Nil

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Item no.	Date of announcement	Company name	Stock code	Grantee(s)	Percentage of total number of awarded shares/restricted awarded shares to total number of shares in issue on the date of the announcement (Approx.) (Note 1)	Market value of total awarded shares/restricted awarded shares as at the date of the announcement (HK\$ million) (Approx.) (Note 2)	Timing of vesting	Vesting period (Approx.)	Vesting condition/Performance requirement
11	28 November 2019	Xiaomi Corporation	1810	380 grantees	0.09	181.8	Vest between 1 April 2020 to 10 October 2023	4 months to 4 years	Not disclosed
12	22 November 2019	SAMSONITE INTERNATIONAL S.A.	1910	certain number of grantees	0.01	1.8	Approx. 33.3% on 22 November 2020 Approx. 33.3% on 22 November 2021 Approx. 33.3% on 22 November 2022	1 to 3 years	Not disclosed
13	21 November 2019	Li & Fung Limited	494	394 grantees (including 5 connected persons)	0.83	60.4	Approx. 5.1% vest in three tranches in each of 31 December 2019, 2020 and 2021 respectively Approx. 94.9% vest in three tranches in each of 31 December 2020, 2021 and 2022 respectively	1 month to 3 years	Not disclosed
14	20 November 2019	WuXi Biologics (Cayman) Inc.	2269	67 grantees	0.04	48.8	Not disclosed	Not disclosed	Not disclosed
15	11 November 2019	Best Food Holding Company Limited	1488	3 grantees who are connected persons	2.75	46.9	20% on 31 December 2019 20% on 31 December 2020 20% on 31 December 2021 20% on 31 December 2022 20% on 31 December 2023	1 month to 4 years	Not disclosed
16	5 November 2019	ANTA Sports Products Limited	2020	124 grantees (including 1 connected person)	0.41	871.8	20% on 1 May 2020 20% on 1 May 2021 20% on 1 May 2022 20% on 1 May 2023 20% on 1 May 2024	6 months to 4.5 years	Not disclosed
17	1 November 2019	Razer Inc.	1337	Certain number of grantees (including 2 executive directors)	0.48	62.6	25% on 1 October 2020 25% on 1 October 2021 25% on 1 October 2022 25% on 1 October 2023	1 to 4 years	Not disclosed
18	14 October 2019	Bingo Group Holdings Limited	8220	Certain number of grantees (including 1 executive director)	4.00	3.1	For executive director: First anniversary of the date of grant For other grantees: 50% on first anniversary of the date of grant 50% on second anniversary of the date of grant	1 to 2 years	Not disclosed
				Min	0.01	1.8			
				Max	4.00	871.8			
	22 January 2020	The Company	622	10 grantees (including 1 connected person)	1.63	80.8	On the fourth anniversary of the date of grant	4 years	Nil

Notes:

- The percentage is extracted from the relevant announcement, where such information is not available from the above published source, calculated with reference to the total issued share capital as disclosed in the then latest monthly return published on the website of the Stock Exchange.
- The market value of total awarded shares/restricted awarded shares of the Comparables is extracted from the relevant announcement, where such information is not available from the above published source, calculated with reference to the closing price as quoted on the Stock Exchange on the date of the relevant announcement.

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As shown from the table above, the vesting period of the Comparables range from immediate vesting up to around 4.5 years after the date of grant. As set out in the Board Letter, the Connected Award Shares shall be vested on the fourth anniversary of the Date of Grant, which falls within the range of the Comparables and is in line with the market practice.

As illustrated in the table above, the size of the awarded shares of the Comparables represented approximately 0.01% to approximately 4.0% of their respective total number of issued shares as at the date of the relevant announcement of the Comparables (the “**Percentage Range**”). The 95,000,000 new Awarded Shares (including the Connected Awarded Shares) represent approximately 1.63% of the total number of issue shares of the Company as at the Date of Grant, which falls within the Percentage Range. In respect of the market value of total awarded shares as at the date of relevant announcement of the Comparables ranged from approximately HK\$1.8 million to approximately HK\$871.8 million (the “**Value Range**”). Meanwhile, based on the closing price of HK\$0.85 per Share as quoted on the Stock Exchange as at the Date of Grant, the market value of the 95,000,000 new Awarded Shares (including the Connected Awarded Shares) is approximately HK\$80.8 million, which falls within the Value Range.

As shown from the table above, there are 5 Comparables (the “**Relevant Comparables**”) which disclosed further details of the vesting condition or the performance requirement of the awarded shares. Among the Relevant Comparables, 4 out of 5 of the Relevant Comparables do not have vesting condition or performance requirement. As such, we consider that the Connected Grant without any performance requirement is in line with the market practice.

As such, we are of the view that the terms of the Connected Grant are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

4. Financial effects of the Connected Grant

(a) Earnings

According to the 2018 Annual Report, the Group recorded a net loss of approximately HK\$1.4 million for FY2018. Based on the closing price of HK\$0.85 per Share as quoted on the Stock Exchange as at the Date of Grant, the market value of the Connected Awarded Shares is approximately HK\$8.5 million. The market value of the Connected Awarded Shares would be allocated and charged as expenses of the Group upon the allotment and issue of the Connected Awarded Shares, hence it would increase net loss of the Group.

(b) Net assets value

According to the 2019 Interim Report, the net assets of the Group was approximately HK\$6.4 billion as at 30 June 2019. Upon the issue and allotment of the Connected Awarded Shares, the share capital and the reserves of the Group would increase by the amount equivalent to the market value of the Connected Awarded Shares, and the same amount will be recognised in the Group’s consolidated statement of profit and loss as expenses. The total net assets of the Company would remain unchanged.

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(c) *Liquidity*

Save for the administrative and professional expenses relating to the issue and allotment of the Connected Awarded Shares under the Share Award Scheme, the Connected Grant will not have any impact on the cash position and net current assets of the Group.

Notwithstanding that the Connected Grant would increase the loss of the Group in the future, the Directors expect that the Connected Grant would retain and motivate Ms. Wong to make continuous contributions to the Group, which shall help to improve the business and financial performance of the Group.

5. Dilution effect on the shareholding interests of the existing public Shareholders

The table which illustrates the possible shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after the issuance of the Connected Awarded Shares is set out under the section headed “Effects on the Shareholding Structure of the Company” in the Board Letter.

Upon the issue and allotment of the Connected Awarded Shares, the shareholding of the public Shareholders will be diluted from 70.29% to approximately 70.16%. Taking into account that (i) the benefit of the Connected Awarded Shares in motivating Ms. Wong to devote her efforts to the development of the Group; and (ii) the Vesting Period would provide incentives for Ms. Wong to be retained for the continual operation and development of the Group, we are of the view that the dilution effect on the shareholding of existing public Shareholdings as a result of the Connected Grant is acceptable.

RECOMMENDATION

Having considered the principal factors and reasons described above, we are of the opinion that (i) the Connected Grant is conducted in the ordinary and usual course of business of the Company; and (ii) the terms of the Connected Grant are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the Connected Grant and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Akron Corporate Finance Limited
Ross Cheung
Managing Director

Mr. Ross Cheung is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of Akron Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO and has over 15 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 Group. 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

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executive of the Company in the Shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 of the Listing Rules were as follows:

Long positions in the Shares, underlying shares and debentures of the Company

On 22 January 2020, 20,000,000 share options at an exercise price of HK\$0.865 per share were granted to Ms. Wong with validity period from 22 January 2020 to 21 January 2030 (both dates inclusive).

Name of Director	Capacity in which interests are held	Number of Shares held	Interest in underlying shares of the share options	Total	Approximate percentage of the total issued Shares as at the Latest Practicable Date
Ms. Wong	Beneficial owner	-	20,000,000	20,000,000	0.34%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and their respective associates had interests or short positions in the Shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of SFO (including interests or short positions which are taken or deemed to have under such provisions of the SFO), or recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 of the Listing Rules.

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

- (a) None of the Directors has any direct or indirect interest in any assets which have been, since 31 December 2018, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by, or 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 and which was significant in relation to the business of the Group.
- (c) None of the Directors or chief executive of the Company and their respective close associates has any competing interests which would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling Shareholder of the Company.

4. SERVICE CONTRACTS

None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation). None of the Directors has any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to the Directors, the persons or entities, other than a Director or chief executive of the Company, who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholders	Capacity in which interests are held	Number of Shares held	Approximate percentage of issued share capital of the Company as at the latest practicable date
Peak Trust Company-NV	Trustee	1,151,976,600	19.82%
VMS Investment Group Limited	Beneficial owner (<i>Note</i>)	575,003,000	9.89%

Note: Ms. Mak Siu Hang, Viola holds 100% of the equity interest in VMS Investment Group Limited. Therefore, Ms. Mak Siu Hang, Viola deemed to be interested in all these 575,003,000 Shares of the Company which are owned by VMS Investment Group Limited under the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the Company has not been notified by any persons (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

6. MATERIAL ADVERSE CHANGE

References are made to the profit warning announcement of the Company dated 4 February 2020, the interim results announcement for the six months ended 30 June 2019 dated 28 August 2019 and the decrease in the loss announcement of the Company dated 25 July 2019 which stated that the Group is expected to record a consolidated loss of HK\$272.7 million for the Current Year as compared to that of HK\$1.4 million for the Previous Year. Loss for the six months ended 30 June 2019 amounted to approximately HK\$198.7 million compared with the loss of approximately HK\$225.3 million for the same period of 2018. The Board considers that the increase in loss for the Current Year is due to the volatility of the fluctuating stock markets and the revaluation loss of the Group's shareholding in Evergrande Health Industry Group Limited (Stock Code: 708).

Save as disclosed above, the Directors confirm there is no 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 financial statements of the Group were made up, up to and including the Latest Practicable Date.

7. QUALIFICATION AND CONSENT OF EXPERT

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
Akron Corporate Finance Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Akron Corporate Finance Limited did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which had, since 31 December 2018 (being the date to which the latest published audited consolidated financial statements of the Company 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.

Akron Corporate Finance Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

8. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection during normal business hours at the registered address of the Company in Hong Kong at 25th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong from the date of this circular up to and including the date of the SGM:

- (a) a copy of the Share Award Scheme;
- (b) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
- (c) the letter from Akron Corporate Finance Limited to the Independent Board Committee and the Independent Shareholders in respect of the grant of Connected Awarded Shares under the Share Award Scheme;
- (d) the letter of consent referred to the paragraph headed “Qualification and Consent of Expert” in this appendix; and
- (e) this circular.

NOTICE OF SPECIAL GENERAL MEETING



OSHIDORI INTERNATIONAL HOLDINGS LIMITED

威華達控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 622)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“SGM”) of the shareholders of Oshidori International Holdings Limited (the “Company”) will be held at 10:00 a.m. on Wednesday, 25 March 2020 at The Mandarin House, Shops 202 & 203, Hyatt Centric Victoria Harbour Hong Kong, 1 North Point Estate Lane, North Point, Hong Kong for the following purposes:

To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolution:

“THAT

1. the grant of 10,000,000 awarded shares pursuant to the Share Award Scheme to Ms. Wong Wan Men Margaret, an executive director of the Company.”

By order of the Board
Oshidori International Holdings Limited
Sam Nickolas David Hing Cheong
Chairman

Hong Kong, 5 March 2020

Notes:

1. Any shareholder entitled to attend and vote at the SGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more Shares may appoint more than one proxy to attend and vote on the same occasion.
2. Where there are joint registered holders of any Share(s), any one of such joint holders may attend and vote at the SGM, either in person or by proxy in respect of such Share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the SGM or any adjournment thereof (as the case may be), the more senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

* *For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

3. In order to be valid, a form of proxy in the prescribed form 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 must be deposited at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the SGM or any adjournment thereof (as the case may be).
4. Completion and return of the form of proxy will not preclude members from attending and voting at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the form of proxy shall be deemed to be revoked.
5. The register of members of the Company will be closed from Friday, 20 March 2020 to Wednesday, 25 March 2020, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the SGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor., Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 19 March 2020.