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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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).

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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)

**(1) CONTINUING CONNECTED TRANSACTIONS; AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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



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, 20 June 2022 at 11:00 a.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.eekagroup.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.

26 May 2022

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing COVID-19 pandemic and recent guidelines for prevention and control of its spread, the Company will implement the following precautionary measures at the EGM to protect the Shareholders, staff and other stakeholders who attend the EGM from the risk of infection:

- (i) compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendee. Any person with a body temperature of 37 degrees Celsius or higher may be denied entry into the EGM venue or be required to leave the EGM venue;
- (ii) the Company will require all attendees to wear surgical face masks before they are permitted to attend, and during their attendance of the EGM at all times, and to maintain a safe distance between seats (please bring your own mask);
- (iii) no refreshment will be served at the EGM;
- (iv) no souvenirs will be distributed at the EGM; and
- (v) no guest will be allowed to enter the EGM venue if he/she is wearing quarantine wristband issued by the Government of Hong Kong.

Any person who does not comply with above requirements may be denied entry into the EGM venue or be required to leave the EGM venue. To the extent permitted under law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of other attendees at the EGM. In our case, denied entry to the EGM venue also means that person will not be allowed to attend the EGM. In the interest of all stakeholders' health and safety and in accordance with recent guidelines for prevention and control of the spread of COVID-19, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, the Shareholders may complete the proxy forms and appoint the chairman of the EGM as their proxy to vote on the relevant resolution at the EGM instead of attending the EGM in person.

The proxy forms were despatched to the Shareholders together with this circular, and can otherwise be downloaded from the websites of the Company or the Stock Exchange. If you are not a registered Shareholder (i.e. if your Shares are held via banks, brokers, custodians or Hong Kong Securities Clearing Company Limited), you should consult directly with your banks, brokers or custodians (as the case may be) to assist you in the appointment of proxy.

Subject to the development of COVID-19 pandemic, the Company may implement further precautionary measures and may issue further announcements on such measures as appropriate.

DEFINITIONS

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

“2019 Agreement”	the master agreement entered into among Shenzhen Koradior, Shenzhen Naersi, Ganzhou Yingjia and Shenzhen Ifashion on 28 June 2019 in relation to the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion to the Group up to 31 December 2021
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	EEKA Fashion Holdings Limited (贏家時尚控股有限公司), 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 New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“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
“Independent Board Committee”	an independent committee of the Board comprising all its independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)

DEFINITIONS

“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 SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders advising on the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps)
“Independent Shareholders”	the Shareholders, other than Mr. Jin Ming, Mr. Jin Rui and their respective associates (including Ganzhou Yingjia and Shenzhen Ifashion)
“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
“La Kordi”	La Kordi Fashion (Shenzhen) Co., Ltd.* (拉珂帝服飾(深圳)有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	23 May 2022, 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 master agreement dated 27 April 2022 and entered into among Shenzhen Koradior, Shenzhen Naersi, La Kordi, Shenzhen Mondial, Shenzhen Fangfu, 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 a term of three years from 1 January 2022 to 31 December 2024
“OEM”	original equipment manufacturing, a business that manufactures products or equipment for branding and resale by others

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Annual Cap(s)”	the maximum annual amount of service fee payable by the Group in relation to the provision of processing and manufacturing services by Ganzhou Yingjia and Shenzhen Ifashion under the New Agreement
“Relevant Period”	from 1 January 2022 to 23 February 2022
“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)
“Shenzhen Fangfu”	Shenzhen Fangfu Fashion Co., Ltd.* (深圳市方弗時裝有限公司), a company established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company
“Shenzhen Ifashion”	Shenzhen Ifashion Cloud Fashion Technology Co., Ltd.* (深圳市贏領智尚服飾科技有限公司), 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 Mondial”	Shenzhen Mondial Industrial Co., Ltd.* (深圳市蒙黛爾實業有限公司), 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 established in the PRC with limited liability, and an indirect wholly-owned subsidiary of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	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 RMB1.00 to HK\$1.2. 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.*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. JIN Ming

Mr. JIN Rui

Ms. HE Hongmei

Independent non-executive Directors:

Mr. ZHONG Ming

Mr. ZHOU Xiaoyu

Mr. ZHANG Guodong

Registered office:

Conyers Trust Company (Cayman) Limited

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business in Hong Kong:*

Suite 812, 8th Floor, Tower 1

The Gateway, Harbour City

25 Canton Road, Tsim Sha Tsui

Kowloon

Hong Kong

26 May 2022

To the Shareholders

Dear Sir or Madam

(1) CONTINUING CONNECTED TRANSACTIONS; AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References are made to the announcement of the Company dated 28 June 2019 in relation to, among other things, the 2019 Agreement and the transactions contemplated thereunder, and the announcement of the Company dated 27 April 2022 in relation to, among other things, the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

LETTER FROM THE BOARD

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

THE NEW AGREEMENT

Background

On 28 June 2019, Shenzhen Koradior and Shenzhen Naersi, both being indirect wholly-owned subsidiaries of the Company, entered into the 2019 Agreement 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 2019 up to and including 31 December 2021.

After the expiry of the 2019 Agreement, the Group has placed an aggregate of 600 orders (with the latest one placed on 23 February 2022) during the Relevant Period with Ganzhou Yingjia and Shenzhen Ifashion for their provision of processing and manufacturing services with an aggregate amount of processing fees payable by the Group to Ganzhou Yingjia and Shenzhen Ifashion of RMB16,847,947 (equivalent to approximately HK\$20,217,536). Please refer to the announcement of the Company dated 24 February 2022 for details.

As the 2019 Agreement has expired on 31 December 2021, the Group entered into the New Agreement as the new master agreement with Ganzhou Yingjia and Shenzhen Ifashion for the continued 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 2022 up to and including 31 December 2024, which covers the orders placed by the Group with Ganzhou Yingjia and Shenzhen Ifashion during the Relevant Period which will be counted towards the calculation of utilisation of Proposed Annual Caps under the New Agreement.

Set out below is a summary of the principal terms of the New Agreement:

Date

27 April 2022

LETTER FROM THE BOARD

Parties

- (i) Shenzhen Koradior
- (ii) Shenzhen Naersi
- (iii) La Kordi
- (iv) Shenzhen Mondial
- (v) Shenzhen Fangfu
- (vi) Ganzhou Yingjia
- (vii) 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 Ms. Chen Lingmei and Mr. Jin Jingquan, the mother and father of Mr. Jin Ming, the chairman of the Board, chief executive officer and an executive Director of the Company, and Mr. Jin Rui, an executive Director of the Company. As such, Ganzhou Yingjia and Shenzhen Ifashion are 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 the Group through its subsidiaries, namely, Shenzhen Koradior, Shenzhen Naersi, La Kordi, Shenzhen Mondial and Shenzhen Fangfu 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 and/or La Kordi and/or Shenzhen Mondial and/ or Shenzhen Fangfu; or (ii) standard samples provided and confirmed by the design team of Shenzhen Koradior and/or Shenzhen Naersi and/or La Kordi and/or Shenzhen Mondial and/or Shenzhen Fangfu.

Term

The term of the New Agreement is three years commencing from 1 January 2022 up to and including 31 December 2024 and may be renewed upon mutual agreement between parties subject to all the requirements under the Listing Rules and other applicable laws. Each of Shenzhen Koradior, Shenzhen Naersi, La Kordi, Shenzhen Mondial and Shenzhen Fangfu has the right to terminate the New Agreement at any time before its expiration.

LETTER FROM THE BOARD

Pricing policy

Like the 2019 Agreement, the processing fees payable to each of Ganzhou Yingjia and Shenzhen Ifashion are determined based on the following factors:

- (i) the tag price, being the sales price shown on the price tag label of the relevant product multiplied by the Garment Standard Time, the standard time in garment industry, being the time required by an average skilled operator, working at a normal pace, to perform a specified task using a prescribed method; and
- (ii) other special processing fees which may be incurred for a particular order such as nail beads embroidery, packaging fees and nominal one-off subsidy fees.

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 transactions contemplated under the New Agreement are of the same nature but there are different processing fees for normal processes and special processes. 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.

LETTER FROM THE BOARD

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 other service providers which are Independent Third Parties to provide quotations for the provision of the relevant processing services for making price comparison and assessing the availability of more economical alternatives for the Group. The Company will identify other service providers which are of comparable size, experience, reputation with Ganzhou Yingjia and Shenzhen Ifashion which are able to provide similar quality, scope and terms of services in order to have a meaningful and fair price comparison. 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, upon assessment and approval by the Board.

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, Shenzhen Naersi, La Kordi, Shenzhen Mondial and Shenzhen Fangfu to Ganzhou Yingjia and Shenzhen Ifashion, via bank transfer upon the presentation of the relevant invoices. Such payment terms are similar to the payment terms of independent third party service providers.

The Proposed Annual Caps

Details of the Proposed Annual Caps under the New Agreement are as follows:

Period	Proposed Annual Caps
For the year ending 31 December 2022	RMB300,000,000 (equivalent to HK\$360,000,000)
For the year ending 31 December 2023	RMB360,000,000 (equivalent to HK\$432,000,000)
For the year ending 31 December 2024	RMB432,000,000 (equivalent to HK\$518,400,000)

LETTER FROM THE BOARD

The terms and conditions of the New Agreement are conditional upon the passing of the ordinary resolution by the Independent Shareholders at the EGM approving the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). Save for the Proposed Annual Caps, all the terms and conditions of the New Agreement are identical to those under the 2019 Agreement.

HISTORICAL ANNUAL CAPS AND TRANSACTION AMOUNTS

The table below sets out the historical annual caps for each of the three years ended 31 December 2021 under the 2019 Agreement, and the actual amount incurred/paid by the Group 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 each of the three years ended 31 December 2021:

Period	Annual caps	Actual amount incurred/paid by the Group	Utilisation rates
For the year ended 31 December 2019 (Under the 2019 Agreement)	RMB195,000,000 (equivalent to HK\$234,000,000)	RMB190,000,000 (equivalent to HK\$228,000,000)	97.44%
For the year ended 31 December 2020 (Under the 2019 Agreement)	RMB220,000,000 (equivalent to HK\$264,000,000)	RMB218,910,881 (equivalent to HK\$262,693,057)	99.50%
For the year ended 31 December 2021 (Under the 2019 Agreement)	RMB250,000,000 (equivalent to HK\$300,000,000)	RMB245,283,575 (equivalent to HK\$294,340,290)	98.11%

After the Relevant Period, the Group has further placed an aggregate of 1,527 orders of RMB30,487,783 (equivalent to approximately HK\$36,585,340) with Ganzhou Yingjia and Shenzhen Ifashion for their provision of processing and manufacturing services. As at the Latest Practicable Date, the total number and amount of orders placed since 1 January 2022 was 2,127 orders with an aggregate amount of processing fees payable by the Group to Ganzhou Yingjia and Shenzhen Ifashion of RMB47,335,730 (equivalent to approximately HK\$56,802,876), representing approximately 15.78% of the Proposed Annual Cap for the year ending 31 December 2022 under the New Agreement. The Company has complied with the relevant requirements under Chapter 14A of the Listing Rules as the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules in respect of all orders placed since 1 January 2022 up to the Latest Practicable Date, which included the orders placed during the Relevant Period for which an announcement has been made by the Company on 24 February 2022, in aggregate exceed 0.1% but remain to be below 5%.

LETTER FROM THE BOARD

BASIS OF DETERMINATION OF THE PROPOSED ANNUAL CAPS

The Proposed Annual Caps under the New Agreement are determined with reference to:

- (1) the growth of product sales of the Group across various channels, the vigorous product reform of the Company and the digital reform and supply chain reform which improved and optimised the operations of the Group as well as demand for the products of the Group;
- (2) the historical transaction amounts incurred/paid by the Group for the three years ended 31 December 2021;
- (3) the average working time factor, which is a percentage factor based on Garment Standard Time on numbers of procedures involved to process a particular product; and
- (4) the historical amount of processing fee on the percentage of the sales price listed on the label handing on the tag of the relevant product.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW AGREEMENT

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 its investments in fixed assets and generate a higher return on assets. The Group has been collaborating with Ganzhou Yingjia and Shenzhen Ifashion for a long time in this regard. In view of the long-standing arrangement and business relationship the Group has with Ganzhou Yingjia and Shenzhen Ifashion and the track record of their proven quality of services, following the expiry of the 2019 Agreement, the Group continued to place orders with Ganzhou Yingjia and Shenzhen Ifashion for their provision of processing and manufacturing services are on terms similar to those under the 2019 Agreement and other previous master agreements and intended to enter into a new master agreement with Ganzhou Yingjia and Shenzhen Ifashion. As such, the Group entered into the New Agreement with the Proposed Annual Caps for the continued 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 2022 up to and including 31 December 2024, which covers the Relevant Period.

LETTER FROM THE BOARD

Further, there are a 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, benefitting 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) the long-term cooperation with Ganzhou Yingjia and Shenzhen Ifashion, 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.

Taking into account the above factors, the Directors expect that there will be continuing growth in demand for processing and manufacturing services. Given the long-term cooperation with Yingjia Fashion and Ganzhou Yingjia, 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 the Group to continue to secure a stable supply of quality services which are necessary for the sales by the Group and to meet the rapidly increasing demand from customers. The Group therefore entered into the New Agreement with Ganzhou Yingjia and Shenzhen Ifashion with the Proposed Annual Caps to renew the provision of processing and manufacturing services to cater for the continuing expansion of the Group.

As the Group has been closely monitoring and reviewing the transactions between the Group and Ganzhou Yingjia and Shenzhen Ifashion, the adjustments made to our production strategies and the increasing demand of customers for products of brands owned by the Group, the Board is of the view that there is a possibility that the New Agreement may need to be further revised during the contract term to cope with the business demands of the Group. If there is any variation of the terms of the New Agreement which becomes necessary for the continuation of the business operations and production of the Group, the Company will re-comply with all applicable requirements under Chapter 14A of the Listing Rules.

In view of the above reasons, the Directors (excluding (i) Mr. Jin Ming and Mr. Jin Rui who had abstained from voting; and (ii) the independent non-executive Directors whose views in relation to the New Agreement are contained in the letter from the Independent Board Committee in this circular) consider that the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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.

LETTER FROM THE BOARD

INTERNAL CONTROL PROCEDURES

To ensure the transactions with Ganzhou Yingjia and Shenzhen Ifashion under the New 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 from time to time (in any event at least quarterly) for products which require processing services in similar quantities to periodically assess and 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 from time to time (in any event at least quarterly);
- (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.

Details of the orders placed in respect of the transactions contemplated under the New Agreement will be provided to the management of the Company from time to time so that the utilisation rate of the annual caps can be monitored on a continuing basis. The managers on the Group's purchase teams and operation teams will monitor all transactions contemplated under the New Agreement, in particular and among others, the pricing of purchase orders placed to Ganzhou Yingjia and Shenzhen Ifashion, as well as the aggregate transaction amounts and the utilisation rate of the annual caps from time to time. Should the managers become aware of potential violation of the pricing policies under the New Agreement, they will refrain from placing new orders for the remainder of such year in order to prevent the Group from exceeding the relevant annual cap(s), until the relevant requirements of the Listing Rules (if any) are complied with and/or invite other service providers which are Independent Third Parties to provide quotations for the provision of the relevant processing services and proceed into the price comparison process set out in the paragraphs headed "Pricing policy". The managers will also report to the senior management and the Directors if the aggregate transaction amounts under the New Agreement each year approaches the respective annual caps. Furthermore, the

LETTER FROM THE BOARD

independent non-executive Directors will review the New Agreement and the transactions contemplated thereunder every year and confirm in the annual report whether the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole in compliance with Rule 14A.55 of the Listing Rules. The Company will also engage its auditors to report on the transactions contemplated under the New Agreement every year in compliance with Rule 14A.56 of the Listing Rules.

As disclosed above, the Company obtains fee quotation from independent comparable OEM contractors from time to time for processing fees for both normal processes and special processes for reference in setting a benchmark percentage range against the prevailing market rates for determining the Proposed Annual Caps under the New Agreement. Such fee quotations were obtained prior to the entering into of the New Agreement and will be obtained at least quarterly from two or more independent comparable OEM contractors during the period of the New Agreement to update and adjust the benchmark percentage range of the Company as appropriate for evaluation of the processing fees under the New Agreement.

The Directors (excluding (i) Mr. Jin Ming and Mr. Jin Rui who had abstained from voting; and (ii) the independent non-executive Directors whose views in relation to the New Agreement are contained in the letter from the Independent Board Committee in this circular) 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 terms and conditions of the New Agreement.

INFORMATION ON THE GROUP, 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.

LETTER FROM THE BOARD

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”.

La Kordi

La Kordi 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 “Koradior”, “La Koradior” and “Koradior elsewhere”.

Shenzhen Mondial

Shenzhen Mondial 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 “CADIDL”.

Shenzhen Fangfu

Shenzhen Fangfu is an indirect wholly-owned subsidiary of the Company principally engaged in the design and sale of womenswear products of its self-owned brands, namely “FUUNNY FEELLN”.

Ganzhou Yingjia

Ganzhou Yingjia is a company established in the PRC principally engaged in the production and processing of womenswear. 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 2019 Agreement.

Shenzhen Ifashion

Shenzhen Ifashion is a company established in the PRC principally engaged in the production and processing of womenswear. It is a direct wholly-owned subsidiary of Yingjia Fashion, and has been providing processing and manufacturing services to the Group under the 2019 Agreement.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As at the 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 and the father of Mr. Jin Ming, the chairman of the Board, chief executive officer and an executive Director, and Mr. Jin Rui, an executive Director. As such, Ganzhou Yingjia and Shenzhen Ifashion are connected persons of the Company. As a result, the transactions contemplated under the New Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As all the applicable percentage ratios (other than the profit ratio) in respect of the Proposed Annual Caps under the New Agreement exceed 5%, the New Agreement and the transactions contemplated thereunder are therefore subject to the 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, save for Mr. Jin Ming and Mr. Jin Rui who have abstained from voting at the Board meeting to approve the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps), none of the Directors has material interest in 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 11:00 a.m. on Monday, 20 June 2022 for the purposes of considering, and if thought fit, approving the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). As at the Latest Practicable Date, Korador Investments Limited and Apex Noble Holdings Limited held 269,715,000 Shares and 198,713,195 Shares respectively, representing approximately 38.3% and 28.22% of the issued Share capital of the Company respectively.

Korador Investments Limited and Apex Noble Holdings Limited are wholly-owned by Mayberry Marketing Limited and Heritage Holdings Limited respectively, the entire issued share capital of which are both in turn wholly-owned by BOS Trustee Limited as trustee of a discretionary trust set up by Mr. Jin Ming and Mr. Jin Rui as their respective settlor, with each of them and their respective spouse and children as the beneficiaries.

LETTER FROM THE BOARD

As such, Mr. Jin Ming and Mr. Jin Rui and their associates will abstain from voting on the proposed resolution to approve the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has any material interest in the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps), and therefore no other Shareholder is required to abstain from voting at the EGM in respect of the resolution 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 New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) and the terms of the New Agreement as to whether the revision of the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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 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 New Agreement as to whether the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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.

RECORD DATE

The record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the Shareholders to attend and vote at the EGM will be Monday, 13 June 2022. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates, have to be lodged with the

LETTER FROM THE BOARD

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 Monday, 13 June 2022.

RECOMMENDATION

Your attention is drawn to the letter of the Independent Board Committee set out on pages 19 to 20 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 New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) set out on pages 21 to 40 of this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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 resolution to be proposed for approving the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) at the EGM.

The Board (including the members of the Independent Board Committee) considers that the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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 resolution 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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

CONTINUING CONNECTED TRANSACTIONS

26 May 2022

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular issued by the Company to the Shareholders dated 26 May 2022 (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 New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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 New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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 resolution approving the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter of advice from Red Solar Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, in respect of the Transactions for the purpose of inclusion in this Circular.



Unit 402B, 4/F
China Insurance Group Building
No.141 Des Voeux Road Central
Central, Hong Kong

26 May 2022

*To: The Independent Board Committee and
the Independent Shareholders of EEKA Fashion Holdings Limited*

Dear Sirs,

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 New Agreement and the transactions contemplated thereunder (collectively, the “**Transactions**”), 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 26 May 2022 (the “**Circular**”), of which this letter of advice forms a part. Unless the context requires otherwise, capitalised terms used in this letter of advice shall have the same meanings as defined in the Circular.

References are made to (i) the announcement of the Company dated 28 June 2019 in relation to, among other things, the 2019 Agreement and the transactions contemplated thereunder; and (ii) the announcement of the Company dated 27 April 2022 and the Circular in relation to, among other things, the Transactions.

On 28 June 2019, Shenzhen Korador and Shenzhen Naersi, both being indirect wholly-owned subsidiaries of the Company, entered into the 2019 Agreement 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 2019 up to and including 31 December 2021.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

After the expiry of the 2019 Agreement, the Group has placed an aggregate of 600 orders (with the latest one placed on 23 February 2022) during the Relevant Period with Ganzhou Yingjia and Shenzhen Ifashion for their provision of processing and manufacturing services with an aggregate amount of processing fees payable by the Group to Ganzhou Yingjia and Shenzhen Ifashion of RMB16,847,947 (equivalent to approximately HK\$20,217,536). Please refer to the announcement of the Company dated 24 February 2022 for details.

After the Relevant Period, the Group has further placed an aggregate of 1,527 orders of RMB30,487,783 (equivalent to approximately HK\$36,585,340) with Ganzhou Yingjia and Shenzhen Ifashion for their provision of processing and manufacturing services. As at the Latest Practicable Date, the total number and amount of orders placed since 1 January 2022 was 2,127 orders with an aggregate amount of processing fees payable by the Group to Ganzhou Yingjia and Shenzhen Ifashion of RMB47,335,730 (equivalent to approximately HK\$56,802,876). The Company has complied with the relevant requirements under Chapter 14A of the Listing Rules as the applicable percentage ratios pursuant to Rule 14.22 of the Listing Rules in respect of all orders placed since 1 January 2022 up to the Latest Practicable Date, which included the orders placed during the Relevant Period for which an announcement has been made by the Company on 24 February 2022, in aggregate exceed 0.1% but remain to be below 5%.

As the 2019 Agreement has expired on 31 December 2021, the Group entered into the New Agreement as the new master agreement with Ganzhou Yingjia and Shenzhen Ifashion for the continued 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 2022 up to and including 31 December 2024, which covers the orders placed by the Group with Ganzhou Yingjia and Shenzhen Ifashion during the Relevant Period which will be counted towards the calculation of utilisation of Proposed Annual Caps under the New Agreement.

Listing Rules implications

As at the 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 and the father of Mr. Jin Ming, the chairman of the Board, chief executive officer and an executive Director, and Mr. Jin Rui, an executive Director. As such, Ganzhou Yingjia and Shenzhen Ifashion are connected persons of the Company. As a result, the transactions contemplated under the New Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As all the applicable percentage ratios (other than the profit ratio) in respect of the Proposed Annual Caps under the New Agreement exceed 5%, the New Agreement and the transactions contemplated thereunder are therefore subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Save as disclosed, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the Latest Practicable Date, save for Mr. Jin Ming and Mr. Jin Rui who have abstained from voting at the Board meeting to approve the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps), none of the Directors has material interest in the transactions contemplated under the New Agreement.

EGM

As at the Latest Practicable Date, Korador Investments Limited and Apex Noble Holdings Limited held 269,715,000 Shares and 198,713,195 Shares respectively, representing approximately 38.30% and 28.22% of the issued Share capital of the Company respectively. Korador Investments Limited and Apex Noble Holdings Limited are wholly-owned by Mayberry Marketing Limited and Heritage Holdings Limited respectively, the entire issued share capital of which are both in turn wholly-owned by BOS Trustee Limited as trustee of a discretionary trust set up by Mr. Jin Ming and Mr. Jin Rui as their respective settlor, with each of them and their respective spouse and children as the beneficiaries. As such, Mr. Jin Ming and Mr. Jin Rui and their associates will abstain from voting on the proposed resolutions to approve the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has any material interest in the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps), and therefore no other Shareholder is required to abstain from voting at the EGM in respect of the resolutions approving the aforesaid matters.

THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

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 New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) and the terms of the New Agreement as to whether the revision of the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) 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 New Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We, Red Solar Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the New Agreement as to whether the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Our appointment as the Independent Financial Adviser has been approved by the Independent Board Committee.

OUR INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, save for this engagement of us as the Independent Financial Adviser, no other relationship has been formed and no direct engagement has been performed between the Group, the other party(ies) to the Transactions, or a close associate or core connected person of any of them and us. As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Group, the other party(ies) to the Transactions, or a close associate or core connected person of any of them and us, or other parties that could reasonably be regarded as relevant to our independence. Apart from the normal advisory fee payable to us in connection with our engagement as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company and its subsidiaries or their respective substantial shareholders or any party acting in concert, or presumed to be acting in concert, with any of them. Accordingly, we considered that we are independent to act as the Independent Financial Adviser in respect of the Transactions pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the information and facts supplied, opinions expressed, statements and representations made to us by the management of the Group (including but not limited to those contained or referred to in the announcement of the Company dated 27 April 2022 and the Circular). We have reviewed the documents including but not limited to (i) the New Agreement; (ii) the Circular and the Letter from the Board contained therein; (iii) the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”); and (iv) the relevant supporting documents provided by the Company including but not limited to sample documents and historical records to formulate our opinion and recommendation. We have assumed that the information and facts supplied, opinions expressed, statements 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. The Company will inform the Shareholders should there be any material change of information in the Circular up to the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. Where applicable, we have also conducted independent desktop search and confirmed that there was no material difference between our search result and the information

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

and facts supplied, opinions expressed, statements and representations made to us by the management of the Group. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

The Directors have collectively and individually accepted full responsibility of the Circular and have confirmed, having made all reasonable enquiries, 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. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We considered 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 Transactions. 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.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in respect of the Transactions, we have considered the following principal factors and reasons:

1. Background of and reasons for the Transactions

(a) 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 (stock code: 3709). The principal activities of the Group are design, promotion, marketing and sales of self-owned branded womenswear products in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following table sets out key financial information of the Group for each of the two years ended 31 December 2021 (the “FY2020” and “FY2021”, respectively) as extracted from the 2021 Annual Report:

	For the FY2021	For the FY2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Revenue	6,354,875	5,325,107
Gross profit	4,737,986	3,910,252
Profit before tax	713,724	526,086
Profit for the year	562,156	439,374
	As at 31 December 2021	As at 31 December 2020
	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)
Total assets	6,231,994	5,745,362
Total liabilities	2,298,516	2,267,287
Net assets	3,933,478	3,478,075

Comparison between FY2020 and FY2021 and performance highlights

The Group’s revenue increased by approximately 19.3% from approximately RMB5,325.1 million for the FY2020 to approximately RMB6,354.9 million for the FY2021. As reflected in the 2021 Annual Report, such growth was primarily attributable to the recovery of macroeconomies and growing demand for clothing retail sales in the PRC in FY2021. According to the 2021 Annual Report, the demand in the international market has rebounded significantly in FY2021 as the total retail sales of consumer goods in FY2021 reached RMB44,082.3 billion, being an increase of 12.5% compared to that of FY2020, based on data from the National Bureau of Statistics. From the overall perspective of the industry, the cumulative retail sales of the clothing category in FY2021 were RMB1,384.2 billion, with an increase of 12.7% compared to that

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

of 2020. The aforesaid developments favoured the Group's sales and, in particular, the Group's revenue from e-commerce increased by approximately 23.6% from approximately RMB612.4 million for the FY2020 to approximately RMB756.7 million for the FY2021, primarily due to an increase in sales of the Group's products through online retail stores. The Group's revenue from distributors also increased by approximately 77.5% from approximately RMB316.6 million for the FY2020 to approximately RMB561.9 million for the FY2021.

Primarily as a result of the increase in the Group's revenue between FY2020 and FY2021, the Group's gross profit increased from approximately RMB3,910.3 million for FY2020 to approximately RMB4,738.0 million for FY2021. The Group's overall gross profit margin slightly increased from approximately 73.4% for FY2020 to approximately 74.6% for FY2021. The Group's net profit also increased from approximately RMB439.4 million for FY2020 to approximately RMB562.2 million for FY2021.

Prospects

As reflected in the 2021 Annual Report, the management of the Group was optimistic on the growth of the PRC's gross domestic product and that the impact of the COVID-19 epidemic will further weaken in 2022. As such, it was expected that consumption would continue to recover, and medium and high-end consumption would maintain a stable growth trend. Therefore, as set out in the 2021 Annual Report, the Company will maintain an aggressive development strategy to steadily promote brand building, product system and supply chain reform in 2022, consolidate its foundation and build up its strength to achieve higher sales goal, and continue to enhance its position in the field of mid-to-high-end women's apparel in the PRC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) Reasons for and benefits of the Transactions

As set out in the Letter from the Board, while the production and sale of high-end womenswear is one of the principal activities of the Group, the Group does not have any in-house production facilities and has, since its commencement of business in 2007, outsourced the production of its products to OEM contractors including Yingjia Fashion and its subsidiaries with the belief that such strategy would allow the Group to reduce its investments in fixed assets and generate a higher return on assets. In this regard, the Group has been collaborating with Ganzhou Yingjia and Shenzhen Ifashion for a long time. Apart from the long-term cooperation with Ganzhou Yingjia and Shenzhen Ifashion, the Company has also considered various factors in entering into the New Agreement with the Proposed Annual Caps, including (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, benefitting the Group by enhancing the overall profit margin; (ii) that the brands of the Group have achieved favourable results and the anticipated consistent performance and growth; and (iii) the proven quality of services of Ganzhou Yingjia and Shenzhen Ifashion which caused the Group to consider that the processing agreement with them can provide a stable supply of quality services and respond to the increasing customer requirement for improved quality.

In this regard, we noted that the Group's business and financial performance has indeed remained strong and been growing during FY2020 and FY2021, as reflected by the growth in all the Group's revenue, gross profit and net profit during the same years. In particular, the Group's revenue from its self-operated retail stores, wholesales to distributors and e-commerce all increased during FY2020 and FY2021. We also noted the recovery of macroeconomies and growing demand for clothing retail sales in the PRC in FY2021 as set out in the 2021 Annual Report, and conducted desktop search on our own. We did not note any material difference between our search result and the development described above. Furthermore, during our desktop search, we were not aware of any factor which would have material adverse impact on the PRC's economies and the clothing retail industry therein in the near future. Based on the above, we agreed that the brands of the Group have achieved favourable results and that consistent performance and growth of the Group's business were anticipated, and therefore a consistent supply of OEM services for the Group's products were necessary.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Furthermore, we noted the Group's long-term cooperation with Ganzhou Yingjia and Shenzhen Ifashion, and the Group's satisfaction towards the quality of services of Ganzhou Yingjia and Shenzhen Ifashion. In this regard, we have further enquired with the Company and understood that there was no material complaint from the Group's customers on the quality of products that were manufactured by Ganzhou Yingjia and Shenzhen Ifashion during the course of the Group's cooperation with Ganzhou Yingjia and Shenzhen Ifashion. We have also conducted independent desktop search and we were unable to find any news nor information regarding material product defects of the Group's products. As such, we had no doubt on the quality of services of Ganzhou Yingjia and Shenzhen Ifashion and that they can provide a stable supply of quality services to the Group.

Having considered that (i) the Group's business and financial performance has remained strong and been growing during FY2020 and FY2021; (ii) the recovery of macroeconomies and growing demand for clothing retail sales in the PRC in FY2021; (iii) we were not aware of any factor which would have material adverse impact on the PRC's economies and the clothing retail industry therein in the near future; (iv) consistent performance and growth of the Group's business, and thus a consistent demand of OEM services by the Group for its products, were anticipated; (v) the Group has been cooperating with Ganzhou Yingjia and Shenzhen Ifashion for a long term; and (vi) we were not aware of any material defects in the quality of services provided by Ganzhou Yingjia and Shenzhen Ifashion, we were of the view that it was fair and reasonable for and in the interests of the Group to enter into the New Agreement with Ganzhou Yingjia and Shenzhen Ifashion for their OEM services.

2. Principal terms of the New Agreement

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

- Date: 27 April 2022
- Parties:
- (i) Shenzhen Koradior
 - (ii) Shenzhen Naersi
 - (iii) La Kordi
 - (iv) Shenzhen Mondial
 - (v) Shenzhen Fangfu
 - (vi) Ganzhou Yingjia
 - (vii) Shenzhen Ifashion

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Subject matter: Ganzhou Yingjia and Shenzhen Ifashion have agreed to provide processing and manufacturing services to the Group through its subsidiaries, namely, Shenzhen Koradior, Shenzhen Naersi, La Kordi, Shenzhen Mondial and Shenzhen Fangfu 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 and/or La Kordi and/or Shenzhen Mondial and/or Shenzhen Fangfu; or (ii) standard samples provided and confirmed by the design team of Shenzhen Koradior and/or Shenzhen Naersi and/or La Kordi and/or Shenzhen Mondial and/or Shenzhen Fangfu.

Term: The term of the New Agreement is three years commencing from 1 January 2022 up to and including 31 December 2024 and may be renewed upon mutual agreement between parties subject to all the requirements under the Listing Rules and other applicable laws. Each of Shenzhen Koradior, Shenzhen Naersi, La Kordi, Shenzhen Mondial and Shenzhen Fangfu has the right to terminate the New Agreement at any time before its expiration.

Pricing policy: Like the 2019 Agreement, the processing fees payable to each of Ganzhou Yingjia and Shenzhen Ifashion are determined based on:

- (i) the tag price, being the sales price shown on the price tag label of the relevant product multiplied by the Garment Standard Time, the standard time in garment industry, being the time required by an average skilled operator, working at a normal pace, to perform a specified task using a prescribed method; and
- (ii) other special processing fees which may be incurred for a particular order such as nail beads embroidery, packaging fees and nominal one-off subsidy fees.

Please refer to the paragraphs headed “Pricing policy” in the Letter from the Board for details.

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The Proposed Annual Caps: Details of the Proposed Annual Caps under the New Agreement are as follows:

Period	Proposed Annual Caps
For the year ending 31 December 2022	RMB300,000,000 (equivalent to HK\$360,000,000)
For the year ending 31 December 2023	RMB360,000,000 (equivalent to HK\$432,000,000)
For the year ending 31 December 2024	RMB432,000,000 (equivalent to HK\$518,400,000)

The terms and conditions of the New Agreement are conditional upon the passing of the ordinary resolution by the Independent Shareholders at the EGM approving the New Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). Save for the Proposed Annual Caps, all the terms and conditions of the New Agreement are identical to those under the 2019 Agreement.

(a) Discussion on the pricing policy under the New Agreement

In order to assess the fairness and reasonableness of the pricing policy under the New Agreement, we have enquired with the Company and understood that the Group generally adopted the same pricing policy in negotiating and determining processing fee levels to both Ganzhou Yingjia and Shenzhen Ifashion and independent comparable OEM contractors, being (i) based on the tag price, being the sales price shown on the price tag label of the relevant product multiplied by the Garment Standard Time, the standard time in garment industry, being the time required by an average skilled operator, working at a normal pace, to perform a specified task using a prescribed method; and (ii) other special processing fees which may be incurred for a particular order such as nail beads embroidery, packaging fees and nominal one-off subsidy fees. We have reviewed the 2019 Agreement and New Agreement and confirmed that the pricing policies set out therein were substantially the same and were both in line with the aforesaid pricing policy. We have further enquired with the Company and understood that the Company considered such price determination mechanism to be in line with the industry practice.

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In addition, as set out in the Letter from the Board, the Company will obtain fee quotations from independent comparable OEM contractors from time to time for products which require processing services in similar quantities to periodically assess and 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 from time to time. We have further enquired with the Company into details of the aforesaid assessment, and understood that (i) the Company generally obtains fee quotations from independent comparable OEM contractors for the aforesaid assessment every three months; (ii) apart from the assessment purpose, the Company also generally places purchase orders to independent comparable OEM contractors as necessary based on operation needs; and (iii) independent comparable OEM contractors of the Company could handle up to a few hundred batches of processing work on a daily basis. Based on the above, we (i) have conducted independent research on news and reports relevant to the garment processing industry in the PRC, and we were not aware of substantial fluctuations in the pricing level of garment processing services in recent years, nor any factor that caused us to believe that the pricing level of garment processing services in the PRC will be volatile in the near future. Therefore, we considered that an assessment every three months will be sufficient for the Company to stay aware of the prevailing market prices of garment processing services; and (ii) further considered that throughout the daily process of placing purchase orders to independent comparable OEM contractors, the Company will also stay aware of the prevailing market prices of garment processing services as well. As a result of the above, we considered that the pricing policies under the New Agreement will be in line with those to independent comparable OEM contractors of the Company and with the market level from time to time.

We have then further obtained and reviewed (i) five samples of purchase orders and respective sales invoices of historical transactions involving the largest amounts of processing fees between the Group and each of Ganzhou Yingjia and Shenzhen Ifashion for the year ended 31 December 2019 (“**FY2019**”), FY2020 and FY2021, respectively, being the term of the 2019 Agreement (the “**Group’s Samples**”); and (ii) five samples of purchase orders and respective sales invoices of historical transactions involving the largest amounts of processing fees between the Group and each of five different independent third party OEM contractors for FY2019, FY2020 and FY2021, respectively, with products of similar categories and quality to those of the Group’s Samples (the “**Independent Samples**”). Considering that (i) the Group’s Samples and Independent Samples covered transactions for all FY2019, FY2020 and

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FY2021, being the term of the 2019 Agreement; (ii) although the Group made a substantial number of orders for processing services under the 2019 Agreement due to its business nature, the Group's Samples and the Independent Samples were already among those involving the largest amounts of processing fees and thus could better reflect the transaction conditions between the Group and each of Ganzhou Yingjia and Shenzhen Ifashion and independent third party OEM contractors than those with smaller amounts of processing fees; (iii) the Group's Samples included multiple types of product and processing work, which allowed us to assess the transaction conditions of different processing work and for different products and was more comprehensive than samples of single type of product and processing work. The same also applied to the Independent Samples; and (iv) the Independent Samples were from five different and major independent third party OEM contractors of the Group which allowed us to assess and cross-check the transaction conditions between the Group and different independent third party OEM contractors who were of certain importance in the Group's supply chains, we were of the view that the Group's Samples and Independent Samples were representative and adequate and sufficient for our assessment herein.

Based on our review and comparison of the aforesaid sample purchase orders and respective sales invoices, we noted that the processing fees paid by the Group to Ganzhou Yingjia and Shenzhen Ifashion were no less favorable to the Group than the processing fees paid by the Group to independent third party OEM contractors for products of similar categories and quality, and both were in line with the pricing policy under the 2019 Agreement and New Agreement as discussed previously. We also noted from the aforesaid sample purchase orders and respective sales invoices that the Group's payment terms to Ganzhou Yingjia and Shenzhen Ifashion were no less favorable to the Group than those to independent third party OEM contractors.

We have also reviewed and compared other terms and conditions of the 2019 Agreement, New Agreement and the Group's Samples, as well as the terms and conditions of the Independent Samples. We were not aware of material difference between them and noted that the terms and conditions of the 2019 Agreement, New Agreement and the Group's Samples were no less favourable to Group than those of the Independent Samples.

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Having considered that (i) the Group generally adopted the same pricing policy in negotiating and determining processing fee levels to both Ganzhou Yingjia and Shenzhen Ifashion and independent comparable OEM contractors; (ii) we have checked the Group's Samples and Independent Samples and confirmed the above; (iii) based on the Group's Samples and Independent Samples, we found that the processing fees paid by the Group to Ganzhou Yingjia and Shenzhen Ifashion were no less favorable to the Group than the processing fees paid by the Group to independent third party OEM contractors for products of similar categories and quality; and (iv) there was no material difference between other terms and conditions of the 2019 Agreement, New Agreement and the Group's Samples and those of the Independent Samples, we were of the view that the terms and conditions, including the Group's pricing policy, of the 2019 Agreement and the transactions carried out thereunder have been fair and reasonable and in the interests of the Group.

As we were of the view that (i) the terms and conditions of the 2019 Agreement and the transactions carried out thereunder have been fair and reasonable and in the interests of the Group as discussed above; (ii) the terms and conditions of the New Agreement were substantially comparable to those of the 2019 Agreement, the Group's Samples and Independent Samples; (iii) the Company will assess the fairness and reasonableness of the prices and terms offered by Ganzhou Yingjia and Shenzhen Ifashion from time to time as discussed in details above, which we considered sufficient to ensure that the pricing policies under the New Agreement will be in line with those to independent comparable OEM contractors of the Company and with the market level from time to time; and (iv) having also considered the Group's internal control procedures to be implemented in respect of the New Agreement, which were expected to ensure a proper execution of the New Agreement and which will be further discussed in the section headed "3. Internal control procedures" below, we were of the view that the terms and conditions of the New Agreement, including the Group's pricing policy thereunder, were also fair and reasonable and in the interests of the Group.

(b) *Basis of the Proposed Annual Caps*

As set out in the Letter from the Board, the Proposed Annual Caps under the New Agreement are determined with reference to:

- (1) the growth of product sales of the Group across various channels, the vigorous product reform of the Company and the digital reform and supply chain reform which improved and optimised the operations of the Group as well as demand for the products of the Group;

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- (2) the historical transaction amounts incurred/paid by the Group for the three years ended 31 December 2021;
- (3) the average working time factor, which is a percentage factor based on Garment Standard Time on numbers of procedures involved to process a particular product; and
- (4) the historical amount of processing fee on the percentage of the sales price listed on the label handing on the tag of the relevant product.

In order to assess the fairness and reasonableness of the Proposed Annual Caps, we have first looked into the historical annual caps of and actual transaction amounts between the Group and Ganzhou Yingjia and Shenzhen Ifashion under the 2019 Agreement, which were set out in the following table:

Under the 2019 Agreement:

Period	Annual caps	Actual amount incurred/paid by the Group
For the year ended 31 December 2019	RMB195,000,000 (equivalent to HK\$234,000,000)	RMB190,000,000 (equivalent to HK\$228,000,000)
For the year ended 31 December 2020	RMB220,000,000 (equivalent to HK\$264,000,000)	RMB218,910,881 (equivalent to HK\$262,693,057)
For the year ended 31 December 2021	RMB250,000,000 (equivalent to HK\$300,000,000)	RMB245,283,575 (equivalent to HK\$294,340,290)

As illustrated in the table above, the historical amount incurred/paid by the Group 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 2019, FY2020 and FY2021 was approximately RMB190.0 million, RMB218.9 million and RMB245.3 million, respectively, representing an utilisation rate of approximately 97.4%, 99.5% and 98.1%, respectively, of the annual caps under the 2019 Agreement for the respective year. Based on the above, we were of the view that the utilisation rate of the annual caps of the 2019 Agreement was very high.

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In addition, we noted that the Group's sales increased by approximately 19.3% from approximately RMB5,325.1 million for the FY2020 to approximately RMB6,354.9 million for the FY2021. In particular, the number of the Group's retail stores increased from 1,836 as at 1 January 2021 to 2,041 as at 31 December 2021, and the Group's revenue from sales in self-operated retail stores, wholesales to distributors and e-commerce increased by approximately 13.8%, 77.5% and 23.6%, respectively, during FY2020 and FY2021. The Group's cost of sales also increased by approximately 14.3% from approximately 1,414.9 million for FY2020 to approximately 1,616.9 million for FY2021. We then noted that the macroeconomies of the PRC has been recovering and the demand for clothing retail sales in the PRC has been growing in FY2021, and that we were not aware of any factor which would have material adverse impact on the PRC's economies and the clothing retail industry therein in the near future. Based on the above, we agreed that consistent growth of the Group's business and sales, and thus a consistently growing demand of OEM services by the Group for its products, including the OEM services to be provided by Ganzhou Yingjia and Shenzhen Ifashion, were anticipated in the near future.

Apart from the expected growth in the Group's business and sales, we have also enquired with the Company and understood that the future unit prices of the clothing product are expected to increase. As the processing fees of OEM services, including those provided by Ganzhou Yingjia and Shenzhen Ifashion to the Group, were generally determined as a percentage of the sales price listed on the label handing on the tag of the relevant product, the expected increase in the unit prices of clothing products also leads to an expected increase in the processing fees involved.

Considering that (i) the utilisation rate of the annual caps of the 2019 Agreement was already very high; (ii) the Group's business and sales have been growing significantly during FY2020 and FY2021, and were anticipated to continue growing in the near future; (iii) the expected increase in the unit prices of clothing products would also leads to an expected increase in the processing fees involved, including those involved in the provision of OEM services by Ganzhou Yingjia and Shenzhen Ifashion to the Group, we agreed that it was necessary for the Company to propose the Proposed Annual Caps which were larger than the annual caps of the 2019 Agreement.

Further considering that (i) the Group's sales and cost of sales increased by approximately 19.3% and 14.3%, respectively, during FY2020 and FY2021; (ii) it is reasonable to include a small amount of buffer when determining the Proposed Annual Caps taking into account the aforesaid growths in the Group's sales and cost of sales; and (iii) the Proposed Annual Caps, on a yearly basis, represent an increase of 20% when compared to that of the preceding year, which is close to actual growth in the Group's sales and cost of sales during FY2020 and FY2021 and included a reasonable amount of buffer, we were of the view that the Proposed Annual Caps were fair and reasonable.

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3. Internal control measures in respect of the New Agreement

We have also reviewed the internal control measures of the Group as follows, and we considered that such internal control measures are sufficient to ensure that the Transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Independent Shareholders in accordance with the pricing policies and the principles set out in the New Agreement and in compliance with the Listing Rules.

- (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 from time to time (in any event at least quarterly) for products which require processing services in similar quantities to periodically assess and 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 from time to time (in any event at least quarterly);
- (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) the Company will review and conduct sample checking regularly on the tag price of products in order to maintain the accurate tag price in the system.

Details of the orders placed in respect of the transactions contemplated under the New Agreement will be provided to the management of the Company from time to time so that the utilisation rate of the annual caps can be monitored on a continuing basis. Furthermore, the independent non-executive Directors will review the New Agreement and the transactions contemplated thereunder every year and confirm in the annual report whether the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole in compliance with Rule 14A.55 of the Listing Rules. The Company will also engage its auditors to report on the transactions contemplated under the New Agreement every year in compliance with Rule 14A.56 of the Listing Rules.

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It was also set out that the Company obtains fee quotation from independent comparable OEM contractors from time to time for processing fees for both normal processes and special processes for reference in setting a benchmark percentage range against the prevailing market rates for determining the Proposed Annual Caps under the New Agreement. Such fee quotations were obtained prior to the entering into of the New Agreement and will be obtained at least quarterly from two or more independent comparable OEM contractors during the period of the New Agreement to update and adjust the benchmark percentage range of the Company as appropriate for evaluation of the processing fees under the New Agreement.

As discussed in the paragraphs headed 2. (a) Discussion on the pricing policy under the New Agreement in this letter above, we considered that the Company's quarterly assessments on the fairness and reasonableness of the prices and terms offered by Ganzhou Yingjia and Shenzhen Ifashion would be sufficient to ensure that the pricing policies under the New Agreement will be in line with those to independent comparable OEM contractors of the Company and with the market level from time to time. In addition, considering that hundreds of batches of processing work were being handled daily, we agreed that it is impracticable to obtain multiple quotations for every piece of processing work, and thus a quarterly assessment arrangement and monitoring through daily purchase orders placement are acceptable.

We also understood from the Company that the managers in the Group's purchase teams and operation teams will monitor all transactions contemplated under the New Agreement as to, in particular and among others, the pricing of purchase orders placed to Ganzhou Yingjia and Shenzhen Ifashion, as well as the aggregate transaction amounts and the utilisation rate of the annual caps from time to time. Should the managers be aware of potential violation of the pricing policies under the New Agreement, they will refrain from placing new orders for the remainder of such year in order to prevent the Group from exceeding the relevant annual cap(s), until the relevant requirements of the Listing Rules (if any) are complied with and/or invite other service providers which are Independent Third Parties to provide quotations for the provision of the relevant processing services and proceed into the price comparison process set out in the paragraphs headed "Pricing policy" in the Letter from the Board. The managers will also report to the senior management and Director if the aggregate transaction amounts under the New Agreement each year approaches the respective annual caps.

Based on the aforesaid internal control procedures, as well as the fair and reasonable terms and conditions of the New Agreement, including the pricing policy therein, as discussed in the section headed "(a) Discussion on the pricing policy under the New Agreement" above, we were satisfied that the Company's internal control procedures in respect of the New Agreement are sufficient to ensure fair and reasonable pricing of the

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transactions under the New Agreement, that the execution of the New Agreement would be fair and reasonable and in the interests of the Group, and that the Proposed Annual Caps under the New Agreement will be closely monitored and will not be exceeded.

4. Reporting requirements and conditions of the continuing connected transactions contemplated under the New Agreement

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the continuing connected transactions contemplated under the New Agreement are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the continuing connected transactions and confirm in the annual report that the continuing connected transactions have been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) on normal commercial terms or better; and
 - (iii) in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least ten business days prior to the bulk printing of the Company's annual report) confirming that the continuing connected transactions:
 - (i) have received the approval of the Board;
 - (ii) are, in all material respects, in accordance with the pricing policies of the Group (if applicable);
 - (iii) have been entered into, in all material respects, in accordance with the relevant agreement governing the continuing connected transactions; and
 - (iv) have not exceeded the annual cap;
- (c) the Company shall allow, and shall procure the relevant counterparties to the continuing connected transactions to allow, the Company's auditors sufficient access to their records for the purpose of the reporting on the continuing connected transactions as set out in paragraph (b); and

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- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

In light of the reporting requirements attached to the continuing connected transactions and the Group's internal control procedures as discussed in the paragraphs headed "3. Internal control measures in respect of the New Agreement" above in this letter, we are of the view that appropriate measures will be in place to effectively monitor the conduct of the continuing connected transactions and assist to safeguard the interests of the Independent Shareholders.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that the New Agreement and the transactions contemplated thereunder, being the provision of the OEM services by Ganzhou Yingjia and Shenzhen Ifashion to the Group, are (i) in the ordinary and usual course of business of the Group; (ii) justifiable, fair and reasonable; (iii) in the interests of the Company and the Shareholders as a whole; and (iv) the terms of the New Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. 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 New Agreement and the transactions contemplated thereunder 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
Leo Chan
Managing Director

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 16 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 (<i>note 1</i>)	269,715,000 (L)	38.30%
Mr. Jin Rui	Founder of a discretionary trust (<i>note 2</i>)	198,713,195 (L)	28.22%
Ms. He Hongmei	Beneficial owner (<i>note 3</i>)	1,582,293 (L)	0.22%

(L) denotes long positions

Notes:

1. These shares are held by Koradior Investments Limited, which 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 Shares held by Koradior Investments Limited by virtue of Part XV of the SFO.
2. These shares are held by Apex Noble Holdings Limited, which is wholly-owned by Heritage Holdings Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Jin's Heritage Trust. The Jin's Heritage Trust is a discretionary trust set up by Mr. Jin Rui as settlor. The beneficiaries of the Jin's Heritage Trust are Mr. Jin Rui, his spouse and his children. Mr. Jin Rui as founder of the Jin's Heritage Trust is taken to be interested in the Shares held by Apex Noble Holdings Limited by virtue of Part XV of the SFO.
3. These represent the underlying 500,000 shares under the share options and a total of 1,082,293 awarded shares granted to Ms. He Hongmei.

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 (<i>note 1</i>)	Beneficial owner	269,715,000 (L)	38.30%
Mayberry Marketing Limited (<i>note 1</i>)	Interest in a controlled corporation	269,715,000 (L)	38.30%
Apex Noble Holdings Limited (<i>note 2</i>)	Beneficial owner	198,713,195 (L)	28.22%
Heritage Holdings Limited (<i>note 2</i>)	Interest in a controlled corporation	198,713,195 (L)	28.22%
BOS Trustee Limited (<i>note 3</i>)	Trustee	468,905,695 (L)	66.60%

(L) denotes long positions

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 Shares held by Koradior Investments Limited by virtue of Part XV of the SFO. Mr. Jin Ming is a director of Koradior Investments Limited.
2. The entire issued share capital of Apex Noble Holdings Limited is wholly-owned by Heritage Holdings Limited, the entire issued share capital of which is in turn wholly-owned by BOS Trustee Limited as trustee of the Jin's Heritage Trust. The Jin's Heritage Trust is a discretionary trust set up by Mr. Jin Rui as settlor. The beneficiaries of Jin's Heritage Trust are Mr. Jin Rui, his spouse and his children. Mr. Jin Rui as founder of Jin's Heritage Trust is taken to be interested in the Shares held by Apex Noble Holdings Limited by virtue of Part XV of the SFO. Mr. Jin Rui is a director of Apex Noble Holdings Limited.
3. BOS Trustee Limited is the trustee of: (i) 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, (ii) Jin's Heritage Trust, which was established by Mr. Jin Rui as settlor in favour of the beneficiaries of Jin's Heritage Trust, held 100% of the issued share capital of Heritage Holdings Limited, which in turn held 100% of the issued share capital of Apex Noble Holdings Limited; and (iii) an independent third party in respect of 477,500 Shares.

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) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2021 (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; and
- (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 New Agreement in which Mr. Jin Ming, the chairman, chief executive officer and an executive Director of the Company, and Mr. Jin Rui, an executive Director, have material interests.

Please refer to the “Letter from the Board” set out on pages 5 to 18 of this circular for details relating to 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 2021, 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 consent 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 expert is given as of the date of this circular for incorporation in this circular.

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 2021 (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 ON DISPLAY

A copy of the New Agreement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.eekagroup.com) for a period of not less than 14 days from the date of this circular up to and including the date of the EGM.

11. MISCELLANEOUS

- (a) 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, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute of the United Kingdom and Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- (c) 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.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) The English text of this circular prevails over the Chinese text in case of inconsistency.

NOTICE OF EGM



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)

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, 20 June 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution. Capitalised terms defined in the circular dated 26 May 2022 issued by the Company (the “Circular”) of which this notice forms part shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTION

“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 Proposed 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, 26 May 2022

NOTICE OF EGM

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. The record date (being the last date of registration of any share transfer given there will be no book closure) for determining the entitlement of the Shareholders to attend and vote at the EGM will be Monday, 13 June 2022. In order to be eligible to attend and vote at the EGM, 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 Monday, 13 June 2022.
4. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the EGM 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, the resolution set out in this notice of the EGM will be voted on by way of poll.

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