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## **EASYKNIT INTERNATIONAL HOLDINGS LIMITED**

**永義國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1218)**

### **POSSIBLE ACQUISITION (DISCLOSEABLE TRANSACTION) AND MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE AUCTION OF CHATHAM ROAD NORTH BUILDING**

#### **BACKGROUND**

The Group owns over 80% of Chatham Road North Building and has filed an application for an order to sell all the undivided shares of the Chatham Road North Building.

It is expected that the Lands Tribunal will order sale of the Chatham Road North Building by public auction.

#### **POSSIBLE ACQUISITION (DISCLOSEABLE TRANSACTION)**

The Company plans to bid at the Auction at or above the reserve price determined by the Lands Tribunal and if successful to proceed with the Possible Acquisition, and/or effect some or all of the Possible Acquisition by agreement with the Registered Owners, before the order for sale. The Possible Acquisition is expected to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL**

If the Company is not successful at the Auction, the Company will be obliged to sell its entire interest in the Chatham Road North Building to the successful bidder. The Board intends to seek the approval of the Shareholders at the SGM for, inter alia, the mandate to dispose through the Auction all the units of the Chatham Road North Building owned by the Group. Such mandate is to remain valid for a period of twelve (12) months from the date of the Shareholders' approval. The Possible Very Substantial Disposal will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules.

*\* for identification purposes only*

## **IMPLICATIONS UNDER THE LISTING RULES**

### ***The Possible Acquisition***

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Possible Acquisition is expected to exceed 5% but be less than 25%, the Possible Acquisition is expected to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and if so, it will be subject to the reporting and announcement requirements under the Listing Rules.

### ***The Possible Very Substantial Disposal***

As one or more of the applicable percentage ratios (as defined under the Listing Rules) of the Possible Very Substantial Disposal exceeds 75%, the Possible Very Substantial Disposal will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules and therefore it is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

## **GENERAL**

A circular containing, among other things, (i) further information on the Mandate for Possible Very Substantial Disposal; (ii) financial information of the Group; (iii) an independent property valuation report on the Chatham Road North Building; (iv) notice of the SGM; and (v) other information required under the Listing Rules will be despatched to the Shareholders on or before 23 October 2020.

## **BACKGROUND**

The Company, through its indirect wholly-owned subsidiary, Success Active, is the registered owner of the following interests in the Chatham Road North Building:

- (i) all those 100% of the equal undivided shares in all those pieces or ground registered in the Land Registry as Remaining Portion of Section A of Kowloon Inland Lot No. 1526 and in the messuages erections and buildings thereon known as No. 472 Chatham Road North, Kowloon, Hong Kong;
- (ii) approximately 83.33% of the equal undivided shares in all those pieces or ground registered in the Land Registry as Sub-section 3 of Section A of Kowloon Inland Lot No. 1526 and in the messuages erections and buildings thereon known as No. 474 Chatham Road North, Kowloon, Hong Kong;
- (iii) approximately 85.71% of the equal undivided shares in all those pieces or ground registered in the Land Registry as Remaining Portion of Sub-section 1 of Section A of Kowloon Inland Lot No. 1526 and in the messuages erections and buildings thereon known as No. 476 Chatham Road North, Kowloon, Hong Kong; and
- (iv) approximately 85.71% of the equal undivided shares in all those pieces or ground registered in the Land Registry as Sub-section 2 of Section A of Kowloon Inland Lot No. 1526 and in the messuages erections and buildings thereon known as No. 478 Chatham Road North, Kowloon, Hong Kong.

On 29 November 2018, the Company filed an application to the Lands Tribunal pursuant to the Ordinance for an order to sell all the undivided shares of the Chatham Road North Building (including those owned by the Group, as required by the Ordinance) for the purposes of the redevelopment of the entire Lot, with the intention to bid in the Auction and acquire the Remaining Units held by the Registered Owners, representing approximately 11.31% of the undivided shares of the Chatham Road North Building.

On 27 May 2020, the Lands Tribunal set down the application for the Hearing to be held on 1 December 2020 and, after the Hearing, it is expected the Lands Tribunal will, inter alia, make an order for the sale of the Chatham Road North Building by public auction and set a reserve price and date for the Auction.

The Company may seek to effect some or all of the Possible Acquisition by agreement with the Registered Owners before the order for sale.

### **POSSIBLE ACQUISITION**

The Company plans to bid at the Auction for the Chatham Road North Building.

If the Company is the successful bidder at the Auction, the consideration for the acquisition of the Remaining Units payable by the Company would be approximately 11.31% of the winning bid price.

The Company intends to bid at the Auction at or above the reserve price determined by the Lands Tribunal and if successful to proceed with the Possible Acquisition; and/or effect some or all of the Possible Acquisition by agreement with the Registered Owners before the order for sale, at a price which will not result in the Possible Acquisition exceeding the thresholds for a discloseable transaction. The Directors consider that based on the existing use value and redevelopment value of the Chatham Road North Building in the draft valuation report prepared by Vigers it would not be in the interest of the Company to pay a price which results in the Possible Acquisition exceeding the thresholds for a discloseable transaction.

The Possible Acquisition is thus expected to constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Company will comply with all applicable Listing Rules in respect of the Possible Acquisition.

### **MANDATE FOR POSSIBLE VERY SUBSTANTIAL DISPOSAL**

If the Company is not successful at the Auction, the Company will be obliged to sell through the Auction its entire interest in the properties of the Chatham Road North Building owned by the Group to the successful bidder at the Auction.

The Company intends to seek the approval of the Shareholders at the SGM for, inter alia, the mandate to dispose through the Auction all the properties of the Chatham Road North Building owned by the Group.

Such mandate is to remain valid for twelve (12) months from the date of the Shareholders' approval.

The Possible Very Substantial Disposal if it proceeds will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules.

## **FAILURE TO OBTAIN SHAREHOLDERS' APPROVAL**

In the event the Mandate for Possible Very Substantial Disposal is not approved by the Shareholders, the Company will either seek a stay of proceedings or withdraw its application for an order for sale. No decision about which is preferable has yet been made. The latest time to withdraw the application is the first day of the Hearing.

A stay of proceedings will give the Company time to consider its position and if thought appropriate to seek approval for the Mandate, with or without amendment, if it decides that to do so is in its interest. The Company may recommence proceedings or withdraw its application for an order for sale if it so decides.

## **INFORMATION ON THE CHATHAM ROAD NORTH BUILDING**

The Chatham Road North Building was completed in 1957. It comprises two 6-storey and one 5-storey of tenement buildings erected over 1-storey of commercial podium comprising 34 residential units and 4 retail units located at Nos. 472-478 Chatham Road North, Kowloon, Hong Kong (also known as Kowloon Inland Lot No. 1526) which is located on the Lot at the southeast side of Chatham Road North at its junction of Shek Tong Street in To Kwa Wan district of Kowloon Peninsula in Hong Kong. The Chatham Road North Building has a registered site area of approximately 3,777 sq. ft.

### ***Information on the properties of the Chatham Road North Building owned by the Group***

The total saleable area owned by the Group in the Chatham Road North Building is approximately 17,028 sq. ft., representing approximately 88.69% of the undivided shares of the Chatham Road North Building.

As at the date of this announcement, three (3) of the units owned by the Group in the Chatham Road North Building have been leased and the annual rental is approximately HK\$250,000.

The net profit or loss after taxation attributable to the Group's 34 units in the Chatham Road North Building for the financial years ended 31 March 2019 and 31 March 2020 was a profit of approximately HK\$894,000 and a loss of approximately HK\$1,153,000 respectively and for the four months ended 31 July 2020 was a loss of approximately HK\$130,000.

According to the draft valuation report prepared by Vigers, as at 3 September 2020, the existing use values for the entire Chatham Road North Building and the Remaining Units are HK\$205,400,000 and HK\$21,900,000 respectively and the market values upon redevelopment for the entire Chatham Road North Building and the Remaining Units are HK\$283,000,000 and HK\$30,300,000 respectively. Thus, the market value upon redevelopment of the properties owned by the Group at the Chatham Road North Building will be HK\$252,700,000. The aggregate book value of the properties owned by the Group at the Chatham Road North Building as at 31 July 2020 was approximately HK\$371,100,000. If the Possible Very Substantial Disposal proceeds at such valuation price, the Company expects to recognize a loss on disposal of approximately HK\$118,400,000 (being the difference of the market value upon redevelopment over the book value). The actual amount of the gain or loss will depend on the successful bidder's bid price.

If the Company is successful at the Auction, the Chatham Road North Building will be demolished and redeveloped into a composite building for residential and commercial use. The estimated gross floor area after redevelopment is expected to be approximately 33,993 sq. ft.

The following information is extracted from the financial information of Success Active:

	<b>For the four months ended 31 July 2020 HK\$'000 (unaudited)</b>	<b>For the year ended 31 March 2020 HK\$'000 (audited)</b>	<b>2019 HK\$'000 (audited)</b>
Total assets	446,094	445,939	439,144
Profit / (loss) before income tax	(130)	(1,171)	1,084
Profit / (loss) for the period/year	(130)	(1,201)	926
Net profit / (loss) attributable to shareholders of Success Active	(130)	(1,201)	926

The net liabilities value of Success Active was approximately HK\$406,000 as of 31 July 2020.

#### ***Information on the Remaining Units***

The Remaining Units are four (4) residential units of the Chatham Road North Building with a total saleable area of approximately 2,646 sq. ft. The Registered Owners are the owners of the Remaining Units.

According to public information, no tenancy agreement can be found for the Remaining Units. The Company tried to obtain financial information about the Remaining Units as required by the Listing Rules and approached the Registered Owners but has been unable to gain access to the underlying books and records. Therefore, no information regarding the income, net profits, direct costs and other expenses relating to the Remaining Units is available to the Company, which has no right to such information.

Despite the fact that relevant information of the Remaining Units is not available to the Company, as the Company intends to redevelop the Lot of the Chatham Road North Building, the historical information of the Remaining Units would not be useful or relevant to the Shareholders. The Company has therefore applied for waivers for strict compliance from Rules 14.58(4) and 14.58(7) of the Listing Rules and the same was granted by the Stock Exchange.

#### **BID PRICE AT THE AUCTION**

The Company may bid at or more than the reserve price at the Auction. If the Company is the successful bidder, the Company will be obliged to pay the apportioned winning bid price to the Registered Owners with reference to their ownership percentage of the Chatham Road North Building. Accordingly, the consideration for the acquisition of the Remaining Units payable by the Group would be approximately 11.31% of the successful bid price. All stamp duty and registration fees on transfer of the Remaining Units will be payable by the Company, if it is the successful bidder at the Auction. The Possible Acquisition will be financed by bank loans and cash from internal resources of the Group.

The Company will consider, inter alia, the following factors in making a decision on whether to bid and its bid price at the Auction which will in any event not be less than the reserve price as determined by the Lands Tribunal:

1. the draft valuation report prepared by Vigers valuing the Lot of the Chatham Road North Building;
2. the existing use value and redevelopment value of the Chatham Road North Building;
3. the latest transacted prices of comparable properties in To Kwa Wan at the time;
4. the breakeven price on the sale of 34 units of the Chatham Road North Building owned by the Group based on their aggregate book value as at 31 July 2020, being approximately HK\$371,100,000;
5. the availability of internal resources and banking facilities;
6. the property market condition at the time of the Auction and in the near and mid-term; and
7. the bids made by competitors at the Auction.

In order not to compromise the commercial interests of the Company by revealing commercial secrets and place the Company in a disadvantaged position against other bidders and/or competitors, the maximum price which the Company is willing to pay at the Auction will not be disclosed in this announcement or the circular but the Company will not bid at a price that if successful would make the Possible Acquisition a major transaction or a very substantial acquisition. According to the draft valuation report prepared by Vigers, as at 3 September 2020, the market value upon redevelopment for the Remaining Units is HK\$30,300,000. The Possible Acquisition at such value or an amount in excess of it that would constitute a discloseable transaction of the Company under the Listing Rules would be in the interests of the Company and the Shareholders as a whole because the Possible Acquisition will result in the Group owning the entire Chatham Road North Building and being able to redevelop it and expecting to profit accordingly. The Directors believe that given the transparency of the Lands Tribunal's determination of the reserve price, after taking into consideration the valuations of independent professional valuers and the fact that the reserve price will be determined by the Lands Tribunal, the acquisition or sale at the Auction of the relevant interest in the Chatham Road North Building will at least be at fair current market values and not detrimental to the interest of the Company. The Company has applied for a waiver from strict compliance with Rules 14.58(4) and 14.58(7) of the Listing Rules and the same has been granted by the Stock Exchange.

The Shareholders should be aware of the following latest transactions of comparable properties in To Kwa Wan:

<b>Transaction Date</b>	<b>Description of the Property</b>	<b>Age of the Building</b>	<b>Saleable Area (sq. ft.)</b>	<b>Consideration (HK\$)</b>	<b>Price per sq. ft. (HK\$)</b>
<b>Retail</b>					
8 February 2019	Shop 3, Ground Floor, Loong Wah Building, 34-42B Baker Street, Kowloon	41	260	6,280,000	24,154
21 January 2019	Shop 52, Ground Floor, Loong King Mansions, 23-35 Ma Tau Wai Road, Kowloon	46	300	7,380,000	24,600
<b>Residential</b>					
17 June 2019	Unit F, 5th Floor, Yue Sun Mansion, 177-191A Wuhu Street, Kowloon	56	564	4,239,000	7,516
14 May 2019	Unit A, 4th Floor, 12A Hok Yuen Street, Kowloon	55	534	4,800,000	8,989
10 April 2019	Unit 127D, 3rd Floor, 125-127D Ma Tau Wai Road, Kowloon,	62	473	3,700,000	7,822

Below is the existing use value of the Chatham Road North Building based on the draft valuation report prepared by Vigers as at 3 September 2020:

<b>Description of the Property</b>	<b>Age of the Building</b>	<b>Saleable Area (sq. ft.)</b>	<b>Existing Use Value (HK\$)</b>	<b>Price per sq. ft. (HK\$)</b>
Chatham Road North Building (comprises 4 retail units and 34 residential units)	63	19,674	205,400,000	10,440

## **AUCTION PROCESS**

The Hearing of the Lands Tribunal has been set on 1 December 2020 and the Company expects that after the Hearing an order for sale will be made by the Lands Tribunal for the sale of the Chatham Road North Building (including the Remaining Units and those units owned by the Group) by way of public auction with a reserve price. The Company understands that in determining reserve price in hearings of this nature the Lands Tribunal generally takes into account the valuations made by independent professional valuers and the reserve price in the Auction is likely to be in line with the current market values determined by such independent professional valuers. In normal circumstances, the Auction is held within three (3) months from the date of the order for sale made by the Lands Tribunal, with an extension of another three (3) months if the circumstances so require.

The Lands Tribunal will appoint (a) trustee(s), who will be in charge of the conduct of the Auction and subsequent apportionment and distribution of sale proceeds. The trustee(s) to be appointed is/are usually qualified solicitor(s) practising in Hong Kong and will be Independent Third Party(ies). The Auction will be open to the public and any party may bid at the Auction.

The Company understands that the bidding process for the Auction will be fully in accordance with normal market practice and conducted by a professional auctioneer appointed by the trustee(s) and that the Chatham Road North Building will be sold to the highest bidder at the Auction, providing the reserve price is met.

At the Auction, bidders will make open bids for the Chatham Road North Building in full view of each other and with each bid being immediately known to all participants, as in a Government land auction, in a process controlled by the auctioneer. The Company believes that the terms of the Auction will be consistent with the best market practice overseen by the trustee(s) who will be independent professionals.

According to Section 5(4) of the Ordinance, if the Chatham Road North Building is not sold by auction within three (3) months from the date of the order for sale (or, if the Lands Tribunal grants an extension for another three (3) months, then a total of six (6) months) the order for sale will cease to have any legal effect. Upon the order for sale being annulled, the Company and the Registered Owners shall continue to hold the same interests (respectively) as they hold prior to the commencement of the application under the Ordinance as if no application was ever made for the order for sale.

Given the open bidding process at the Auction, the publicly available information on the Chatham Road North Building, the valuation(s) of the Chatham Road North Building and the transparent nature of the Hong Kong property market, the Directors are satisfied that they have all information necessary to make a properly-informed bid at the Auction.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION**

The reasons for the Possible Acquisition are to gain full ownership of the entire Chatham Road North Building for redevelopment and to unlock the commercial potential of the Lot.

The value of the Chatham Road North Building lies in the redevelopment potential of the Lot instead of its current use value.



The Directors consider that the Lot has great commercial potential given its good location and redevelopment potential and success at the Auction would enable the Company to unlock the commercial value of the Lot which will contribute to revenue for the Group. Having evaluated the viability of the Chatham Road North Building redevelopment project on a number of factors, including financial viability, the Directors took the view that it is beneficial to proceed with the project.

The Directors also consider that the Possible Acquisition is in the interests of the Company and the Shareholders as a whole and that the terms of sale by public auction will be fair and reasonable.

## **REASONS FOR AND BENEFITS OF THE POSSIBLE VERY SUBSTANTIAL DISPOSAL**

If the Company is not successful at the Auction, the Company will be obliged to sell all the properties of the Chatham Road North Building owned by the Group to the successful bidder at the Auction.

Although the Company would lose the opportunity to redevelop the Lot, the Possible Very Substantial Disposal would improve its cash flow for the Group. The sale proceeds received from the Possible Very Substantial Disposal will be used by the Group in or towards financing other projects and for general working capital.

Based on the above reasons, the Directors are of the view that the Possible Very Substantial Disposal is in the interests of the Company and the Shareholders as a whole and that the terms of sale by the Auction will be fair and reasonable.

## **IMPLICATIONS UNDER THE LISTING RULES**

### ***The Possible Acquisition***

Based on the draft valuation report prepared by Vigers, as at 3 September 2020, the market value of the Remaining Units upon redevelopment is HK\$30,300,000. On the basis that one or more of the applicable percentage ratios of the Possible Acquisition will exceed 5% but be less than 25%, the Possible Acquisition will constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and, if so, it will be subject to the reporting and announcement requirements under the Listing Rules.

### ***The Possible Very Substantial Disposal***

If the consideration for the Chatham Road North Building is HK\$283,000,000 (based on the draft valuation report prepared by Vigers), the market value upon redevelopment of the properties at the Chatham Road North Building owned by the Group will be approximately HK\$252,700,000, being the aggregate consideration for the Possible Very Substantial Disposal. As one or more of the applicable percentage ratios of the Possible Very Substantial Disposal exceeds 75%, the Possible Very Substantial Disposal will constitute a very substantial disposal for the Company under Chapter 14 of the Listing Rules and therefore it is subject to the reporting, announcement and the Shareholders' approval requirements under the Listing Rules.

## **INFORMATION ON THE REGISTERED OWNERS**

According to public records, Harbourview International Holdings Limited and Yau Yee Holding Limited, two of the Registered Owners, are companies incorporated in Hong Kong with limited liability. Their principal businesses are unknown to the Company. Based on the company search records, the registered shareholders of Harbourview International Holdings Limited are Lam Kwok Chun, Lau Fung Yee, Lam Wor Lam and Lee Fung Ying; and the registered shareholders of Yau Yee Holding Limited are Lam Wor Lam and Lee Fung Ying, who are all individuals unknown to the Company. The other Registered Owners, Chu Chun Ming and Fok Siu Bing, also appear to be individuals unknown to the Company.

To the best of the Directors' knowledge, having made all reasonable enquiries, the Registered Owners and their respective ultimate beneficial owner(s) (where applicable) are Independent Third Parties.

## **INFORMATION ON SUCCESS ACTIVE AND THE GROUP**

Success Active, an indirect wholly-owned subsidiary of the Company, is incorporated in the British Virgin Islands with limited liability. The principal business of Success Active is property investment mainly in the Chatham Road North Building and other property at Chatham Road which will not be part of the Auction.

The Company is an investment holding company. The Group is principally engaged in property investment, property development, securities investment and loan financing businesses. The Group currently holds various commercial, industrial and residential properties in Hong Kong.

## **NON-PARTICIPATION AT AUCTION BY THE DIRECTORS AND THE COMPANY'S CONTROLLING SHAREHOLDER**

The Directors and the Company's controlling shareholder have confirmed that they and their respective associates (as defined in the Listing Rules) will not participate in the Auction.

## **GENERAL**

An application has been made by the Company to the Stock Exchange for appropriate waivers from the disclosure requirements under Rules 14.58(4) and 14.58(7) of the Listing Rules and such waivers have been granted by the Stock Exchange.

A circular containing, among other things, (i) further information on the Mandate for Possible Very Substantial Disposal; (ii) financial information of the Group; (iii) an independent property valuation report on the Chatham Road North Building; (iv) notice of the SGM; and (v) other information required under the Listing Rules will be despatched to the Shareholders on or before 23 October 2020.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, the Mandate for Possible Very Substantial Disposal.

To the best of the Directors' information, knowledge and belief having made all reasonable enquiries, no Shareholder has a material interest in the Possible Very Substantial Disposal and no Shareholder shall be required to abstain from voting at the SGM.

## WARNING

**As the Mandate for Possible Very Substantial Disposal is conditional upon the approval of the Shareholders, accordingly, the Possible Very Substantial Disposal may or may not proceed, the Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the meanings set opposite them:

“Auction”	the public auction of the entire interest in the Chatham Road North Building on an “as-is” basis expected to take place by order of the Lands Tribunal, and/or any postponement thereof
“Board”	the board of Directors
“Chatham Road North Building”	all the undivided shares at Nos. 472-478 Chatham Road North, Kowloon, Hong Kong, expected to be auctioned at the Auction as part of the Lot
“Company”	Easyknit International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1218)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hearing”	the hearing by the Lands Tribunal for an order for sale of the Chatham Road North Building
“Independent Third Party(ies)”	person(s) which, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Lands Tribunal”	the Lands Tribunal established under the Lands Tribunal Ordinance (Chapter 17 of the Laws of Hong Kong)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lot”	the Remaining Portion of Section A of Kowloon Inland Lot No. 1526, Sub-section 3 of Section A of Kowloon Inland Lot No. 1526, Remaining Portion of Sub-section 1 of Section A of Kowloon Inland Lot No. 1526 and Sub-section 2 of Section A of Kowloon Inland Lot No. 1526

“Mandate for Possible Very Substantial Disposal”	the mandate proposed for the Possible Very Substantial Disposal to be granted by the Shareholders at the SGM to the Directors
“Ordinance”	the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong)
“Possible Acquisition”	the possible acquisition of the Remaining Units referred to in this announcement
“Possible Very Substantial Disposal”	the possible disposal of the entire interest in all the units of the Chatham Road North Building owned by the Group referred to in this announcement
“Registered Owners”	the registered owners of the Remaining Units as recorded in the land register of the Hong Kong Land Registry being: <ul style="list-style-type: none"> <li>(i) Harbourview International Holdings Limited, the registered owner of 2/F., No. 474 Chatham Road North, Kowloon, Hong Kong;</li> <li>(ii) Chu Chun Ming, the registered owner of 1/F., No. 476 Chatham Road North, Kowloon, Hong Kong;</li> <li>(iii) Fok Siu Bing, the registered owner of the Front Portion of 3/F., No. 478 Chatham Road North, Kowloon, Hong Kong; and</li> <li>(iv) Yau Yee Holding Limited, the registered owner of the Front Portion of 6/F., No. 478 Chatham Road North, Kowloon, Hong Kong</li> </ul>
“Remaining Units”	the four (4) units of the Chatham Road North Building not owned by the Group, being approximately 11.31% of the undivided share of the Chatham Road North Building
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Mandate for Possible Very Substantial Disposal
“Shareholder(s)”	holder(s) of Shares
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Success Active”	Success Active Limited, an indirect wholly-owned subsidiary of the Company, and a company incorporated in the British Virgin Islands with limited liability
“Vigers”	Vigers Appraisal and Consulting Limited, a property valuer and an Independent Third Party

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	per cent.

By Order of the Board  
**Easyknit International Holdings Limited**  
**Koon Ho Yan Candy**  
*President and Chief Executive Officer*

Hong Kong, 11 September 2020

*As at the date hereof, the Board comprises Ms. Koon Ho Yan Candy, Ms. Lui Yuk Chu and Mr. Tse Wing Chiu Ricky as executive Directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Lau Chak Hang Charles as independent non-executive Directors.*

*In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.*