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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)

DISCLOSEABLE TRANSACTION

ACQUISITION IN RELATION TO THE AUCTION OF CHATHAM ROAD NORTH BUILDING

ACQUISITION

The Board is pleased to announce that Success Active Limited, an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of acquisition of the Chatham Road North Building at the Auction held on 1 June 2021. The winning price of the Chatham Road North Building is HK\$300,000,000.0 which is the reserve price approved by the Lands Tribunal. The consideration of the Remaining Units to be paid by the Group is HK\$34,859,749.0 (approximately 11.6% of the winning bid price).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules is subject to the reporting and announcement requirements.

Reference is made to (i) the announcement issued by the Company dated 11 September 2020 (the “**2020 Announcement**”); and (ii) the circular of the Company dated 23 October 2020 (the “**Circular**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the 2020 Announcement and the Circular.

The board (the “**Board**”) of directors (the “**Directors**”) of Easyknit International Holdings Limited (the “**Company**”) is pleased to announce that Success Active Limited (“**Success Active**”), a wholly-owned subsidiary of the Company, successfully won the bid in respect of the acquisition of the Chatham Road North Building at the Auction held on 1 June 2021. The winning price of the Chatham Road North Building is HK\$300,000,000.0 which is the reserve price approved by the Lands Tribunal.

CONSIDERATION

The consideration for the acquisition of the Remaining Units held by the Registered Owners to be paid by the Group is HK\$34,859,749.0 (approximately 11.6% of the winning bid price) (the “**Acquisition**”), which will be financed by bank loan and cash from internal resources of the Group.

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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The reasons for the Acquisition are to gain full ownership of the entire Chatham Road North Building for redevelopment and to unlock the commercial potential 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 and consider that the Acquisition is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND SUCCESS ACTIVE LIMITED

The Group is principally engaged in property investment, property development, securities investment and loan financing business.

Success Active, an indirect wholly-owned subsidiary of the Company, is incorporated under the laws of 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules is subject to the reporting and announcement requirements.

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

Hong Kong, 1 June 2021

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.