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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)

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
DISPOSAL OF A COMPANY HOLDING
75% INTERESTS IN A PROPERTY**

THE S&P AGREEMENT

The Board is pleased to announce that on 16 March 2018 (after trading hours), Delano Hills (being a wholly owned subsidiary of the Company and one of the Vendors) and the Company entered into the S&P Agreement with the Purchaser and Vendor 2 (being one of the Vendors), pursuant to which the Vendors have conditionally agreed to sell the Sale Shares and Vendor 2 and the Company have conditionally agreed to sell the Sale Loans, and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loans at the Initial Consideration (subject to adjustments).

Gold Asset, a wholly owned subsidiary of Delano Hills, is a company incorporated in Hong Kong and is principally engaged in property development. Wise Think is a company incorporated in the British Virgin Islands, which is wholly owned by Vendor 2 and is principally engaged in property development. Gold Asset and Wise Think holds as to 75% and 25% interests respectively in the Property, which is located at La Salle Road, Ho Man Tin, Kowloon, known as Kowloon Inland Lot No. 2320. Upon Completion, the Group will no longer hold any interest in Gold Asset and the Property.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in the Listing Rules in respect of the Group Disposal exceeds 75%, the Group Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. The Group Disposal is therefore subject to the reporting, announcement, circular and shareholders' approval requirements. A circular containing, among other matters, (i) further information of the S&P Agreement and the transactions contemplated thereunder; (ii) the valuation report of the Property; and (iii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable. As the Company requires time

for compiling the information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 13 April 2018.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Group Disposal. Therefore, no Shareholder is required to abstain from voting at the SGM.

WARNING

Completion of the Disposals is conditional upon the satisfaction or, if applicable, waiver of the conditions set out in the section headed "THE S&P AGREEMENT – Conditions precedent" in this announcement. Accordingly, the Disposals may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that on 16 March 2018 (after trading hours), Delano Hills (being a wholly owned subsidiary of the Company and one of the Vendors) and the Company entered into the S&P Agreement with the Purchaser and Vendor 2 (being one of the Vendors), pursuant to which the Vendors have conditionally agreed to sell the Sale Shares and Vendor 2 and the Company have conditionally agreed to sell the Sale Loans, and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loans at the Initial Consideration (subject to adjustments).

THE S&P AGREEMENT

Date: 16 March 2018

Parties

- (i) Delano Hills, being one of the Vendors
- (ii) Ms. Park Gi Youn (i.e. Vendor 2), being one of the Vendors
- (iii) Giant Astute Limited, being the Purchaser
- (iv) the Company, being the seller of the shareholder's loans of Gold Asset and the guarantor of the obligations of the Vendors

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners (i) are independent of the Company and its connected persons, and (ii) do not have any business or non-business relationships, arrangements, understandings or plans associated with the Company and its associates.

Assets to be disposed of

Pursuant to the S&P Agreement, Delano Hills has conditionally agreed to sell the entire issued share capital in Gold Asset and the Company has conditionally agreed to sell the shareholder's loans of Gold Asset, and the Purchaser has conditionally agreed to purchase the entire issued share capital in and the shareholder's loans of Gold Asset; and Vendor 2 has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the entire issued share capital in and the shareholders' loans of Wise Think.

As at 30 September 2017, the shareholder's loans due and owing by Gold Asset to the Company amounted to approximately HK\$247 million.

Upon Completion, the Group will no longer hold any shareholding interest in Gold Asset and the Property.

The Disposal Companies and the Property

Gold Asset, a wholly owned subsidiary of Delano Hills, is a company incorporated in Hong Kong and is principally engaged in property development. Wise Think is a company incorporated in the British Virgin Islands, which is wholly owned by Vendor 2, and is principally engaged in property development. Based on the development agreement (as supplemented) entered into, among others, between Gold Asset and Wise Think, the interests in the Property are attributable to Gold Asset and Wise Think as to 75% and 25%, respectively. The Property is located at La Salle Road, Ho Man Tin, Kowloon, known as Kowloon Inland Lot No. 2320.

The Property is situated on the south side of Prince Edward Road West at its junction with La Salle Road, one of the prestigious addresses in Ho Man Tin District, Kowloon, with close proximity to the La Salle College and Maryknoll Convent School. The surrounding area is characterized by a mixture of medium-rise apartment buildings and high-rise residential developments which are mainly populated by the upper-middle and upper income groups.

The Property is proposed to be developed into a 17-storey residential block over one basement floor with a saleable area of approximately 32,817 square feet in total. It is proposed to comprise 78 residential units offering a range of one and two bedroom apartments and a duplex unit, club house facilities and car parking space.

The Property is currently under development and the construction work thereon has been substantially finished as at the date of this announcement. It is proposed that the application for occupation permit will be submitted in March 2018. Barring any unforeseen circumstances, the target date in obtaining the occupation permit and certificate of compliance is by the end of May 2018 and August 2018, respectively.

The Property is subject to a charge in favour of a third party bank being the chargee in relation to the existing encumbrance over the Property. Pursuant to the S&P Agreement, the Vendors shall procure the Disposal Companies to repay existing bank loan (including any interest or other fees) and discharge and release such encumbrance on or before Completion unless otherwise agreed by the parties pursuant to the terms of the S&P Agreement.

Set out below is a summary of the audited financial information of Gold Asset for the years ended 31 March 2016 and 2017 and unaudited financial information for the six months ended 30 September 2017:

	For the year ended 31 March		For the six months ended 30 September 2017
	2016	2017	
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
Net loss and total comprehensive expense	(787,618)	(378,764)	(1,284,037)

The audited net assets of Gold Asset as at 31 March 2017 was approximately HK\$30,307,753. The unaudited net assets of Gold Asset as at 30 September 2017 was approximately HK\$29,023,716.

The Property is preliminarily valued at the existing market value of HK\$880 million as at 28 February 2018 by Vigers Appraisal and Consulting Limited, an independent valuer. A valuation report of the Property performed by Vigers Appraisal and Consulting Limited will be contained in the circular to be despatched to the Shareholders.

Consideration and payment terms

The Initial Consideration for the Disposals shall be the amount of the Agreed Property Value (as defined below), as adjusted by reference to the Net Assets Value as shown in the Proforma Completion Accounts. The agreed property value is (i) calculated by multiplying the total saleable area of the Property (as certified by an authorized person upon issuance of the occupation permit and certificate of compliance (if applicable) of the Property) by the agreed price of HK\$28,034 per square feet, or (ii) HK\$920 million, whichever is the lower (the “**Agreed Property Value**”). The Company has engaged an authorized person to assess the total saleable area of the Property. The total saleable area of the Property as assessed was 32,817 square feet as of 28 February 2018. The Company does not expect the final total saleable area of the Property as certified by an authorized person upon issuance of the occupation permit and certificate of compliance (if applicable) of the Property would have any material deviation.

The Consideration for the Disposals shall be the amount of the Initial Consideration after adjusting the Net Assets Value as shown in the Audited Completion Accounts. The aforementioned consideration adjustments are more particularly set out in the section headed “THE S&P AGREEMENT - Consideration adjustments” below.

The Consideration shall be paid by the Purchaser in cash in the following manners:

- (i) a sum of HK\$92 million, being the first deposit, has been paid to the solicitors of the Vendors and the Company as stakeholders upon signing of the S&P Agreement (the “**First Deposit**”);
- (ii) a sum of HK\$138 million, being the second deposit, is payable to the solicitors of the Vendors and the Company as stakeholders on the 60th calendar day from the date of the S&P Agreement (i.e. 15 May 2018) (the “**Second Deposit**”) provided that conditions (i) to (iv) set out in the section headed “THE S&P AGREEMENT – Conditions precedent” below have been fulfilled or waived; and
- (iii) the balance payment, which is equivalent to the Initial Consideration less the Deposits, is payable to the solicitors of the Vendors and the Company as stakeholders or such other person(s) as designated by the Vendors and the Company at Completion.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser with reference to the location of the Property and the valuation of the Property of HK\$880 million as at 28 February 2018, as assessed by Vigers Appraisal and Consulting Limited, an independent valuer.

In arriving at the Consideration, the Board took into account the following factors:-

1. the Group is expected to record an estimate gain of approximately HK\$331 million upon completion of the Group Disposal as detailed in the section headed “Financial impact on the Group and use of proceeds” of this announcement;
2. the Property is currently under development which will require additional time, costs and expenses from the Company before the Property is ready for strata title sale in the primary property market. By realising its investment in the Property through the Group Disposal, the Company can on the one hand enhance and expedite its cash inflows and improve its liquidity and overall financial conditions, and on the other hand save time (such as time required for obtaining the approval of the deed of mutual covenant and pre-sale consent, preparation of sale-related materials including sales brochure, price list and advertisements and other promotional materials) and costs (such as marketing cost, agency commission fees, professional fees and expenses) which would be incurred by the Company for strata title sale; and
3. the Group can also avoid any risks and uncertainties pertaining to future property market by realising its investment in the Property.

On the above basis, the Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration shall be split between the Vendors in proportion to their respective interests in the Property.

Consideration adjustments

The Vendors shall deliver the audited accounts of the respective Disposal Companies for the year ended 31 March 2018 and the Proforma Completion Accounts to the Purchaser at least five (5) Business Days prior to the Completion Date.

If the Net Assets Value at the Completion Date as shown in the Proforma Completion Accounts is more or less than zero, the Initial Consideration for the Disposals shall be adjusted upwards or downwards (as the case may be):

- (i) by adding all net assets of the Disposal Companies as shown in the Proforma Completion Accounts; and
- (ii) by deducting all net liabilities of the Disposal Companies as shown in the Proforma Completion Accounts.

The Vendors shall deliver to the Purchaser within 60 Business Days from the Completion Date the Audited Completion Accounts. If the Net Assets Value as shown in the Audited Completion Accounts is more or less than the Net Assets Value as shown in the Proforma Completion Accounts, the Purchaser or the Vendors and the Company (as the case may be) shall pay the difference to the other party within five (5) Business Days from the date of receipt of the Audited Completion Accounts by the Purchaser.

Conditions precedent

Completion is conditional upon the satisfaction or, as applicable, waiver by the Purchaser (provided that sub-paragraph (ix) below cannot be waived under any circumstances) of the following conditions:

- (i) Delano Hills is the sole legal and beneficial owner of the entire issued share capital in Gold Asset and the Company is the sole legal and beneficial owner of the shareholder's loans of Gold Asset. Vendor 2 is the sole legal and beneficial owner of the entire issued share capital in and the shareholders' loans of Wise Think. All the Sale Shares and the Sale Loans are free from any encumbrances and other third party rights (other than those set out in the security documents that will be released with effect from the Completion Date);
- (ii) Gold Asset and Wise Think are the sole legal and beneficial owners of 75% and 25% interests respectively in the Property and their titles to the Property are free from any encumbrances and other third party rights (other than those set out in the security documents that will be released with effect from the Completion Date);
- (iii) each of the Disposal Companies having proven and given a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong);

- (iv) the Purchaser having reasonably satisfied with the results of the due diligence investigation in the Disposal Companies and the Property (other than all matters concerning construction work fees, additional work fees and retention amount relating to the construction works);
- (v) save for those information in the documents disclosed under the due diligence investigation and all matters concerning construction work fees, additional work fees and retention amount relating to the construction works, all warranties given by the Vendors and the Company under the S&P Agreement are and shall remain true, accurate, correct and not misleading in all material respects on the date of the S&P Agreement and the Completion Date (i.e. if any of the aforesaid warranties would be untrue, incorrect and misleading, the amount involved would not exceed HK\$25 million);
- (vi) each of the Disposal Companies having repaid and settled all outstanding liabilities and receivables other than the Sale Loans on or before the Completion Date and subject to the terms of the S&P Agreement;
- (vii) save for those information in the documents disclosed under the due diligence investigation, there being no material adverse change in the business, assets, properties, financial condition and operations of the Disposal Companies prior to the Completion Date, except due to any change in the Hong Kong properties market and/or price fluctuation;
- (viii) at least 10 Business Days prior to the Completion Date (the “**Work Completion Deadline**”),
 - (a) the Property having obtained the relevant occupation permit issued by the Building Authority of Hong Kong certifying that the construction work of the Property having been completed pursuant to the approved building plans (including any subsequent amendment as approved by the Building Authority of Hong Kong); and (if applicable) the Property having obtained the certificate of compliance issued by the Director of the Lands Department pursuant to the Government land grant or other written evidence certifying all positive obligations set out in the Government land grant having being satisfied;
 - (b) an authorized person having certified the saleable area of the Property upon issuance of the occupation permit and certificate of compliance (if applicable);
 - (c) an authorized person having issued a certificate confirming all fittings, finishes or appliances set out in the S&P Agreement having been installed;
 - (d) an authorized person having issued the certificate of practical completion to the main contractor of the Property; and
 - (e) the Disposal Companies having prepared a sales brochure in respect of the development project of the Property according to the specification set out in the S&P Agreement; and

- (ix) shareholders' approval of the Company as required under the Listing Rules having been obtained.

If the condition set out in sub-paragraph (viii) above cannot be satisfied before the Work Completion Deadline, the Vendors may before such deadline notify the Purchaser in writing to postpone the Completion Date to a date no later than 28 November 2018.

Termination and refund of deposits

In the event that the Purchaser fails to pay any part of the Consideration (other than the consideration adjustments) in the manners pursuant to the S&P Agreement, the Vendors and the Company shall be entitled to terminate the S&P Agreement and forfeit all Deposits paid as liquidated damages.

If the S&P Agreement is terminated as a result of conditions (i), (ii) and (iii) of the conditions precedent above not being satisfied or waived on or before the 60th calendar day from the date of the S&P Agreement, the Vendors and the Company shall refund all Deposits without interest or fee and pay an additional liquidated damages equivalent to 10% of the Consideration to the Purchaser. In the event that the S&P Agreement is terminated as a result of conditions (i), (ii) and (iii) of the conditions precedent above not being satisfied or waived on or before the Completion Date, the Vendors and the Company shall refund all Deposits without interest or fee and pay an additional liquidated damages to the Purchaser equivalent to 12.5% of the Consideration to the Purchaser.

If condition (iv) of the conditions precedent above cannot be satisfied or waived, the S&P Agreement shall be terminated and the Vendors and the Company shall refund all Deposits without interest or fee.

If the S&P Agreement is terminated as a result of non-fulfillment of condition (ix) of the conditions precedent above, the Vendors and the Company shall refund all Deposits without interest or fee and pay an additional liquidated damages equivalent to 25% of the Consideration to the Purchaser.

In the event that the S&P Agreement is terminated as a result of any of the conditions precedent above (other than conditions (i), (ii), (iii), (iv) and (ix)) not being satisfied or waived on or before the Completion Date, the Vendors and the Company shall refund all Deposits without interest or fee and pay an additional liquidated damages to the Purchaser equivalent to 12.5% of the Consideration to the Purchaser.

If any force majeure event occurs causing the matters under condition (viii) of the conditions precedent above cannot be completed as scheduled, the Vendors shall issue a notice of force majeure event to the Purchaser as soon as possible. If the Vendors and the Purchaser fail to reach a consensus on the completion of the matters under the condition (viii) and the related completion matters within 60 calendar days from the date of the notice of force majeure event, the Vendors or the Purchaser may terminate the S&P Agreement, and the Vendors and the Company shall refund all Deposits to the Purchaser without interest or fee.

Notwithstanding that the Vendors would be obligated to pay liquidated damages equivalent to 25% of the Consideration to the Purchaser if no Shareholders' approval can be obtained on or before the Completion Date, the Board considers that the terms of the Group Disposal (including the liquidated damages arrangement), on an overall basis, is fair and reasonable and in the interests of the Company and the Shareholders as a whole on the following basis:

- (i) as disclosed in the section headed "Reasons for and benefits of the entering into of the S&P Agreement" of this announcement below, the Group Disposal provides an opportunity for the Group to realise its investment in the Property, enhances the cashflows and improve the liquidity and overall financial conditions of the Group. When assessing potential benefits for the Group Disposal, the Board took into account that the Consideration is higher than the value of the Property as assessed by the independent valuer;
- (ii) the liquidated damages arrangement was determined after arm's length negotiations between the Vendors and the Purchaser. In particular the Board took into account that the Purchaser has agreed to place the Deposits representing 25% of Consideration on the 60th calendar days from the date of the S&P Agreement. This allows the Group to have an immediate access of substantial cash inflow far before completion of the Group Disposal, which is expected to take place on or about 28 September 2018. The Board took the view that the liquidated damages arrangement is a commercial term arrived by the Vendor and the Purchaser in exchange for, among other matters, the Purchaser agreeing to the aforementioned Deposits arrangement and would be inevitable to secure the Group Disposal; and
- (iii) in negotiation for the commercial term set out in paragraph (ii) above, the Board has also assessed and balanced the risk for liquidated damages payment and considered that such risk would be controllable taking into account that (a) condition (ix) of the conditions precedent is limited to obtaining Shareholders' approval for the Group Disposal only; (b) Sea Rejoice Limited and Magical Profits Limited, which together hold an aggregate of approximately 58.69% of the issued share capital in the Company, have indicated to the Company that they would vote in favour of the resolution to be proposed at the SGM to approve the S&P Agreement and the transactions contemplated thereunder.

Completion

Completion shall, subject to all the conditions precedent to the Disposals are satisfied or, if applicable, waived, take place on 28 September 2018 or such other date as the Vendors and the Purchaser may agree in writing, provided that the Vendors may postpone the Completion Date to a date no later than 28 November 2018 if the condition (viii) of the conditions precedent above cannot be satisfied before the Work Completion Deadline.

Guarantee

The Company has agreed to guarantee to the Purchaser the performance by the Vendors of all of their respective obligations under the S&P Agreement until their obligations thereunder have been satisfied in full. The Company shall indemnify the Purchaser in respect the loss, liability and cost arising out of any breach of obligations, provided that the total liability for such claims will not exceed HK\$920 million.

Vendor 2 is the Group's business partner for the development of the Property. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Vendor 2 and her associates (i) are independent of the Company and its connected persons, and (ii) do not have any business or non-business relationships, arrangements, understandings or plans associated with the Company and its associates, save as disclosed in this paragraph above.

The guarantee arrangement (including the provision of guarantee to the Purchaser by the Company in favour of Vendor 2) was proposed by the Purchaser as part and parcel of the Disposals. The Directors, after taking into account Vendor 2 being the Group's business partner for the development of the Property, considered that the provision of guarantee to the Purchaser by the Company in favour of Vendor 2 would be inevitable to secure completion of the Group Disposal. On the above basis, the Directors are of the view that the provision of guarantee to Vendor 2 is on normal commercial terms, which is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

Based on the unaudited accounts for the six month period ended 30 September 2017 of Gold Asset, the Group is expected to record an estimate gain of approximately HK\$331 million upon completion of the Group Disposal. The estimated gain of approximately HK\$331 million is calculated by adding up (i) the Consideration attributable to the Group Disposal (i.e. HK\$690 million); and (ii) consolidation gain of approximately HK\$89 million, less (iii) the adjusted net assets of Gold Asset of approximately HK\$448 million as at 30 September 2017, comprising (a) unaudited net assets of Gold Asset of approximately HK\$29 million; (b) shareholder's loans owing by Gold Asset to the Company of approximately HK\$247 million; and (ii) bank borrowing of approximately HK\$172 million.

The actual amount of gain to be recognised would be subject to the operating results of Gold Asset for the period from 1 April 2017 up to the Completion Date, recognition of the expenses to be incurred in relation to the Group Disposal and the review by the Company's auditors.

The Group intends to apply the net proceeds from the Group Disposal, after taxes and deduction of expenses attributable thereto, towards the general working capital of the Group for new investments that fit the Group's growth strategy and general corporate purposes including, without limitation, repayment of bank loans of the Group.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE S&P AGREEMENT

The Group proposes to sell the Property for the following reasons:

1. given that the property prices in Hong Kong continued to scale new heights in the recent months, the Group Disposal represents a good opportunity for the Group to realise its investment in the Property;
2. the Group Disposal enhances the cashflows and improve the liquidity and overall financial conditions of the Group; and
3. the Group intends to apply the net proceeds from the Group Disposal, after taxes and deduction of expenses attributable thereto, towards the general working capital of the Group's new investments that fit the Group's growth strategy and general corporate purposes including, without limitation, repayment of bank loans of the Group.

The terms of the S&P Agreement have been determined after arm's length negotiations between the parties thereto and the Directors (including the independent non-executive Directors) are of the view that the S&P Agreement is on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in the Listing Rules in respect of the Group Disposal exceeds 75%, the Group Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. The Group Disposal is therefore subject to the reporting, announcement, circular and shareholders' approval requirements.

A circular containing, among other matters, (i) further information the S&P Agreement and the transactions contemplated thereunder; (ii) the valuation report of the Property; and (iii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable. As the Company requires time for compiling the information for inclusion in the circular pursuant to the Listing Rules, the circular is expected to be despatched to the Shareholders on or before 13 April 2018.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Group Disposal. Therefore, no Shareholder is required to abstain from voting at the SGM.

INFORMATION ON THE PARTIES TO THE S&P AGREEMENT

The Group's principal businesses are property investment, property development, securities investment and loan financing business.

Delano Hills is principally engaged in investment holding.

The Purchaser is principally engaged in property development.

WARNING

Completion of the Disposals is conditional upon the satisfaction or, if applicable, waiver of the conditions set out in the section headed “THE S&P AGREEMENT – Conditions precedent” in this announcement. Accordingly, the Disposals may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Agreed Property Value”	has the meaning ascribed to it under the section headed “THE S&P AGREEMENT – Consideration and payment terms” in this announcement
“Audited Completion Accounts”	the audited financial statements in respect of the respective Disposal Companies comprising the statement of assets and liabilities as at the Completion Date and the statement of profit or loss for the period from 1 April 2018 to the Completion Date
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, general holiday of Hong Kong or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted at any time between 9:00 a.m. and 5:00 p.m. or continues in force in Hong Kong) on which banks are open for business in Hong Kong (except on the Internet)
“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 Stock Exchange
“Completion”	completion of the Disposals
“Completion Date”	the date of Completion, which shall take place on 28 September 2018 or such other date as the Vendors and the Purchaser may agree in writing

“connected person(s)”, “subsidiary(ies)” or “substantial shareholder”	have the meaning ascribed to them under the Listing Rules
“Consideration”	the total consideration for the Disposals under the S&P Agreement
“Delano Hills”	Delano Hills Limited, a wholly owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability
“Deposits”	collectively, the First Deposit and the Second Deposit
“Director(s)”	Director(s) of the Company
“Disposal Companies”	collectively, Gold Asset and Wise Think
“Disposals”	collectively, the Group Disposal and the disposal by Vendor 2 of the entire issued share capital and shareholders' loans of Wise Think under the S&P Agreement
“First Deposit”	has the meaning ascribed to it under the section headed “THE S&P AGREEMENT – Consideration and payment terms” in this announcement
“Gold Asset”	Gold Asset Investment Limited, a company incorporated in Hong Kong with limited liability, which is held as to 100% by Delano Hills
“Group”	the Company and its subsidiaries
“Group Disposal”	the disposal of the entire issued share capital in Gold Asset by Delano Hills and the disposal of the shareholders' loans of Gold Asset by the Company under the S&P Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Consideration”	the initial consideration for the Disposals, subject to adjustments under the S&P Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Net Assets Value”	the aggregate of all assets (excluding (i) the values of the Property and its fittings, finishes and appliances, equipment, facilities and other assets; (ii) loans between the Disposal Companies; and (iii) any intangible assets) less all liabilities (excluding (i) value of the Sale Loans; (ii) loans between the Disposal Companies; and (iii) any deferred tax arising from property revaluation and/or revenue as a result of sale of the whole or any part of the Property after Completion) of the respective Disposal Companies as at the Completion Date
“Property”	a property located at La Salle Road, Ho Man Tin, Kowloon, known as Kowloon Inland Lot No. 2320,
“Purchaser”	Giant Astute Limited , a company incorporated in the British Virgin Islands with limited liability
“Proforma Completion Accounts”	the unaudited proforma financial statements in respect of the respective Disposal Companies comprising the statement of assets and liabilities as at the Completion Date and the statement of profit or loss for the period from 1 April 2018 to the Completion Date
“S&P Agreement”	the sale and purchase agreement dated 16 March 2018 entered into between the Vendors, the Purchaser and the Company in respect of Disposals
“Sale Shares”	the entire issued share capital of each of the Disposal Companies
“Sale Loans”	the shareholders’ loans due and owing by the Disposal Companies to the Company and Vendor 2 at Completion
“Second Deposit”	has the meaning ascribed to it under the section headed “THE S&P AGREEMENT – Consideration and payment terms” in this announcement
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, if thought fit, approving the S&P Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

“Shareholder(s)”	holder(s) of Shares in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor 2”	Ms. Park Gi Youn
“Vendors”	collectively, Delano Hills and Vendor 2
“Wise Think”	Wise Think Global Limited, a company incorporated in the British Virgin Islands with limited liability, which is held as to 100% by Vendor 2
“Work Completion Deadline”	has the meaning ascribed to it under the section headed “THE S&P AGREEMENT – Conditions precedent” in this announcement
“%”	per cent

By Order of the Board
Easyknit International Holdings Limited
Tse Wing Chiu Ricky
President and Chief Executive Officer

Hong Kong, 16 March 2018

As at the date hereof, the Board comprises Mr. Tse Wing Chiu Ricky, Ms. Lui Yuk Chu and Ms. Koon Ho Yan Candy as executive directors; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive directors.