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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)

INSIDE INFORMATION

PROPOSED SPIN-OFF AND SEPARATING LISTING OF THE RESIDENTIAL PROPERTY BUSINESS OF THE GROUP ON THE MAIN BOARD OF THE STOCK EXCHANGE

This announcement is made pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance and is further to the Company's announcement of 27 October 2017. Terms used herein are as defined in the announcement.

On 29 March 2019 the Company received a letter from the Stock Exchange to the effect that the Stock Exchange has decided to reject the Proposed Spin-off because allegedly the Company does not satisfy the requirements of Practice Note 15 of the Listing Rules on spin-offs.

The Company has filed an application for review of this decision on the 3rd of April 2019.

Pending the review and the Stock Exchange being satisfied that the requirements for the Proposed Spin-off have been complied with, the Proposed Spin-off shall not proceed.

The Board will continue to explore ways of creating and realising value for shareholders and this will include considering whether the Proposed Spin-off can or should proceed at an appropriate time, yet to be determined. For the time being it will not proceed.

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

Hong Kong, 9 April 2019

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.

** for identification purposes only*