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 THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 28 August 2026 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser and the Company (being the Vendor's Guarantor), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Share, representing the entire issued share capital of the Target Company, at the Consideration of HK$528.5 million, subject to the terms and conditions of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. The Disposal is subject to reporting, announcement and Shareholders' approval requirements under the Listing Rules.

WARNING

Completion is subject to the satisfaction or, where applicable, waiver of the conditions precedents. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

On 30 April 2026, the property investment adviser of the Purchaser submitted a non-legally binding letter (the "**Expression of Interest Letter**") to the Vendor and the Company in relation to the acquisition of the entire issued share capital of the Target Company at a purchase price of HK$528.5 million, the Expression of Interest Letter was countersigned by the Vendor and the Company on 4 May 2026. Among others, the letter sets out the proposed transaction structure, due diligence, completion timetable, earnest money and exclusivity of the proposed acquisition. Subsequently, extension letters were entered into between the parties on 16 June 2026 and 7 August 2026 to extend the exclusivity of the proposed acquisition. Thereafter, the Purchaser, the Vendor and the Vendor's Guarantor entered into the Sale and Purchase Agreement on 28 August 2026.

THE SALE AND PURCHASE AGREEMENT

Date

28 August 2026

Parties

The Vendor:	Yue Heng Real Estate Holdings Limited
The Purchaser:	Quantum Living Accommodation Limited
The Vendor's Guarantor:	the Company

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Assets to be disposed of

The Vendor has conditionally agreed to sell the Sale Share, being the entire issued share capital of the Target Company.

Consideration and payment terms

The Consideration shall be an amount equal to the amount computed in accordance with the following:

(i) an amount equal to HK$528.5 million (the "**Agreed Property Value**");

(ii) plus the amount of the adjusted net asset value as set out in the pro forma completion accounts of the Target Company (if it is a positive amount) or minus the absolute value of the amount of the adjusted net asset value as set out in the pro forma completion accounts of the Target Company (if it is a negative amount).

The adjusted net asset value of the Target Company means the total assets of the Target Company as at Completion (excluding the book value of the Property) minus the total liabilities of the Company as at Completion (after taken into account the capitalisation of the inter-company balances and settlement of bank loan) to be determined with reference to the pro forma completion accounts.

The final Consideration is subject to an adjustment by reference to the adjusted net asset value of the Target Company as determined under the completion accounts.

As the completion accounts will only be finalised after Completion and may be subject to changes during the preparation, review and agreement or determination process, the Company is unable to specify a fixed contractual cap on the potential upward adjustment. Based on the latest available financial information, the potential upward adjustment is expected to be immaterial in the context of the Disposal. The Company estimates the maximum amount of Consideration after taking into account the potential upward adjustment to be no more than HK$538.5 million which is mainly due to rental income to be recognized by the Target Company before Completion. Such estimate is based on the information currently available to the Company and is subject to the financial position and net asset value of the Target Company at Completion. Accordingly, the actual Consideration may differ from the estimated maximum amount and may be lower than such amount. The Company does not expect the potential adjustment to result in any change to the classification of the transaction under Chapter 14 of the Listing Rules.

The Agreed Property Value of HK$528.5 million represents the value agreed between the parties for the Property and forms the base amount of the Consideration. The adjusted net asset value adjustment is intended to capture the net assets of the Target Company other than the Property as at Completion. If the book value is not being excluded in the calculation of the adjusted net asset value of the Target Company as at Completion, it will create double counting of the value of the Property under the adjustment clause. Accordingly, the adjustment mechanism is intended to reflect the value of the Target Company's assets and liabilities other than the Property at Completion.

An amount of HK$5.285 million, representing the earnest money, was paid on behalf of the Purchaser to the Vendor's solicitors as stakeholders on 30 April 2026 pursuant to the terms of the Expression of Interest Letter. A further deposit of HK$47.565 million shall be paid to the Vendor's solicitors as stakeholders within three Business Days after the date of the Sale and Purchase Agreement. Accordingly, the aggregate deposit of HK$52.85 million (the "**Deposit**") represents approximately 10% of the Agreed Property Value.

The Deposit shall be held by the Vendor's solicitors as stakeholders and shall be applied as part payment of the Consideration upon Completion, unless otherwise released or forfeited in accordance with the terms of the Sale and Purchase Agreement.

The balance of the Consideration after deduction of the Deposit shall be payable at Completion. An amount equal to the outstanding amount required to fully repay the existing bank loan of the Target Company (in the principal amount of approximately HK$345.0 million), including any accrued interest, prepayment fees, break-funding fees and related costs and expenses, shall be paid directly by the Purchaser to the bank on behalf of the Target Company for the release and discharge of the relevant security. The remaining balance of the Consideration shall then be paid to the Vendor.

The final consideration shall be subject to adjustment following the agreement or determination of the completion accounts of the Target Company as stated in (ii) above. Any such adjustment shall be settled within 15 Business Days after the completion accounts of the Target Company have been agreed or determined.

The Agreed Property Value was determined following arm's length negotiations between the Purchaser and the Group. According to the preliminary valuation conducted by Vincorn Consulting and Appraisal Limited, an independent valuer engaged by the Group, the valuation of the Property held by the Target Company as at 31 July 2026 was HK$524.0 million. The independent valuer adopted the market approach by making reference to comparable market transactions in its assessment of the market value of the Property. Further details of the valuation approach, methodology and assumptions will be set out in the relevant valuation report to be included in the circular of the Company to be despatched to the Shareholders in due course in respect of the Disposal. In agreeing at the Agreed Property Value, which represents a 0.85% premium to the aforesaid valuation as at 31 July 2026, the Group has considered factors including the prevailing macroeconomic conditions and sentiment in the Hong Kong property market, which continue to face challenges and are expected to remain uncertain. Taking into account the aforesaid factors and the reasons and benefits of the Disposal as further described in "Reasons for and Benefits of the Disposal" below, the Vendor considers the Agreed Property Value to be fair and reasonable.

Conditions precedent

Completion is conditional upon the satisfaction, or waiver to the extent permitted under the Sale and Purchase Agreement, of the following conditions on or before 31 December 2026, or such later date as may be agreed in writing by the Vendor and the Purchaser:

(i) the Deviation from the approved general building plans relating to the Property has been rectified, removed and/or reinstated, as confirmed by a certificate issued by the authorised person appointed by the Vendor or the Target Company;

(ii) all inter-company balances owing by the Target Company to the Vendor, the Vendor's Guarantor or their connected persons have been fully capitalised or converted into equity, such that no inter-company balances remain outstanding at Completion;

(iii) an authorised person appointed by the Vendor or the Target Company has issued a certificate confirming the aggregate saleable area of the Property, including its domestic saleable areas, by reference to the relevant approved building plans and supporting calculations; and

(iv) the Disposal has been approved by the Shareholders at a general meeting in accordance with the Listing Rules.

The Purchaser may waive the first three conditions above in writing to the extent legally permitted. If the conditions are not satisfied or validly waived by the Long Stop Date, the parties may agree to extend the Long Stop Date in writing; otherwise, the Sale and Purchase Agreement will terminate in accordance with its terms and the Deposit shall be returned to the Purchaser; where the Sale and Purchase Agreement is terminated due to non-satisfaction of the conditions (i) to (iii) above, the Vendor shall return the Deposit within five Business Days and pay the Purchaser, within 15 Business Days, an amount equal to the Deposit as liquidated damages; where the Sale and Purchase Agreement is terminated due to non-satisfaction of the condition (iv) above, the Vendor shall return the Deposit within five Business Days and pay the Purchaser, within 15 Business Days, HK$5.0 million as liquidated damages. Upon receipt of such amount, the Purchaser shall have no further claim against any party, including the Vendor and the Vendor's Guarantor.

The Company has taken into account the inter-company balances in determining the overall terms of the Disposal. The balances represented intra-group funding advanced by the Vendor, and were not liabilities which the Purchaser would assume under the Sale and Purchase Agreement. The capitalisation formed part of the agreed debt-free disposal structure and was a condition to Completion. Accordingly, the Consideration was determined by reference to the market value of the Property and the Target Company on the agreed debt-free basis, rather than by adding the inter-company balances to the Consideration. The debt-free disposal structure was agreed as part of the commercial negotiations with the Purchaser, who required the Target Company to be transferred free from its existing indebtedness, including the inter-company balances, at Completion. Although the loan capitalisation means that the Group will not recover the inter-company balances in cash from the Target Company, the Board considered that the structure facilitates the completion of the Disposal, avoids the need for the Group to further finance the Target Company, and enables the Group to realise the value of the Property and receive the agreed consideration with greater certainty. Having considered the financial position of the Target Company, the terms of the Sale and Purchase Agreement and the overall benefits of the Disposal, the Board is of the view that the loan capitalisation and the debt-free disposal structure are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Directors are of the view that in the absence of the Disposal, the inter-company balances would have remained owing by the Target Company. Given i) the Target Company's audited net liabilities of approximately HK$221.9 million as at 31 March 2026; ii) its historical loss-making position; iii) its substantial bank borrowings; iv) the absence of sufficient surplus cash resources to repay the inter-company balances in full; and v) the fact that the Target Company's principal asset, being the Property, was subject to external financing, the Company did not expect the Target Company to repay the inter-company balances in full in the near term without a sale, refinancing or other realisation of the Property.

The Directors also consider that the adjustment mechanism is an objective completion accounts mechanism under which the Agreed Property Value is fixed at HK$528.5 million, while the Consideration is adjusted by reference to the adjusted net asset value of the Target Company at Completion. Any increase or decrease in the adjusted net asset value will result in a corresponding dollar-for-dollar adjustment to the Consideration. The completion accounts will be prepared and agreed or determined in accordance with the procedures set out in the Sale and Purchase Agreement, and any resulting adjustment will be settled within 15 Business Days after the completion accounts have been agreed or determined.

The Directors consider that this mechanism provides a fair and reasonable basis for determining the final Consideration, as it reflects the actual net asset value of the Target Company at Completion while preserving the agreed value of the Property.

Completion

Subject to the satisfaction or waiver of all conditions precedents, Completion shall take place on the twelfth Business Day following satisfaction or waiver of all conditions precedents, or such other date as the Vendor and the Purchaser may agree in writing.

Vendor's guarantee

The Company has agreed to guarantee to the Purchaser the performance by the Vendor of its obligations under the Sale and Purchase Agreement and other relevant documents until such obligations have been satisfied in full. The Company's liability under the guarantee is subject to the limitations and exclusions set out in the Sale and Purchase Agreement. The Vendor's obligations under the Sale and Purchase Agreement and the other transaction documents include, among other things, procuring the transfer of the Sale Shares free from encumbrances, delivering the completion documents and other agreed deliverables at Completion, complying with the completion arrangements and other covenants under the Sale and Purchase Agreement, providing the warranties and indemnities under the transaction documents, cooperating in the preparation and audit of the completion accounts, procuring the restricted actions and other pre-completion obligations of the Target Company, and executing the relevant documents including but not limited to a deed of novation to be entered into between the Target Company, the Vendor, the main contractor of the Property and the Purchaser in respect of the novated construction rights and liabilities. The deed of novation is to legally transfer (novate) the Target Company's specified rights and corresponding payment obligations relating to the determination, verification, dispute, adjustment and settlement of the identified construction costs and related professional fees from the Target Company to the Vendor, so that after Completion, the Vendor, rather than the Target Company, will be responsible for pursuing and paying those construction claims while the Target Company retains all other rights and benefits under the construction contracts, such as warranties, defects liability and rectification rights and rights relating to the quality, design and completion of the works.

FINANCIAL IMPACT ON THE GROUP AND USE OF PROCEEDS

Upon Completion, the Target Company will cease to be a subsidiary of the Company. Based on the information currently available and the audited financial information of the Group as at 31 March 2026, the Group expects a loss of approximately HK$0.5 million to be recorded from the Disposal after taking into account the cost for rectifying the Deviation in the amount of approximately HK$74,000, the professional fees and other transaction expenses to be incurred. The loss on Disposal was derived from the final Consideration (after taking into account the adjusted net asset value) minus the net assets to be disposed of and the estimated transaction costs directly attributable to the Disposal.

The actual financial effect in connection with the Disposal will be assessed after the Completion and is subject to review and final audit to be performed by the Company's auditors.

The net proceeds from the Disposal amounted to approximately HK$165.8 million, after repayment of the Target Company's bank loan and interest payable in the amount of approximately HK$346.3 million, the cost for rectifying the Deviation, the professional fees and other transaction expenses to be incurred. As at the date of this announcement, the Target Company's bank loan (with the Target Company's share and the Property being the securities) had an outstanding principal amount of approximately HK$345.0 million and will be matured on 31 August 2026, an extension arrangement is currently under negotiation with the bank to facilitate the Completion of the Disposal, the bank loan carries an interest rate of 4.65%. The intended use of the net proceeds is set forth below:

Intended use	**Amount** ***HK$' million***	**Percentage**
Expansion of secured loan business	50.0	30.2%
Investment and potential return of capital to the Shareholders	100.0	60.3%
General working capital	15.8	9.5%
Total	**165.8**	**100.0%**

Expansion of secured loan business

Approximately HK$50.0 million, representing approximately 30.2% of the net proceeds, will be used for the Group's margin financing activities and to support the financing requirements arising from a general offer, including funding the consideration payable to accepting shareholders and settling related fees, expenses and financing costs. The Company's indirect wholly-owned subsidiary, Constance Capital, is currently being the offer agent of the Sheung Yue General Offer and has also provided a financing facility to the offeror in the amount of approximately HK$52.5 million, the financing amount can fully cover the maximum amount of cash payable by the offeror upon full acceptance of the Sheung Yue General Offer. For details, please refer to the announcement of Sheung Yue Group Holdings Limited dated 24 July 2026. In light of the Group's existing involvement in this financing transaction, the financing amount involved and the potential for further general offer financing opportunities, the Company considers that the proposed allocation of approximately HK$50.0 million of the net proceeds for the expansion of its secured loan business, including supporting the financing requirements arising from general offer, is reasonable and commercially justifiable. The proposed allocation is being determined with reference to the HK$52.5 million financing needs of the offeror with regard to the Sheung Yue General Offer which is currently in progress and the anticipated future secured lending activities of the Group. Pending utilisation, any unused proceeds may be placed with licensed banks or invested in short-term, liquid and low-risk investments in accordance with the Group's treasury policy.

Investment and potential return of capital to the Shareholders

Approximately HK$100.0 million, representing approximately 60.3% of the net proceeds, will be applied for investments and declaration and payment of special dividend to Shareholders.

The types of investments include (i) investment in listed securities in Hong Kong, including but not limited to blue chip/Hang Seng Index constituent stocks; (ii) investment in equity linked notes of Hong Kong listed securities; and (iii) other investment in securities and related products. The categories of investment include (i) short-term investment consists of cash or listed or unlisted securities with expected investment period of one year or less; (ii) medium-term investment consists of listed or unlisted securities with expected investment period of one to five years; and (iii) long-term investment consists of listed or unlisted securities with expected investment period of over five years. The Company will select investments based on factors including the Target Company's financial performance, business prospects, valuation, liquidity, dividend policy, management quality, industry position and the potential strategic benefits to the Group. As at the date of this announcement, the Company has not identified any specific investment and has not entered into any agreement or arrangement in relation to any such investment.

The potential return of capital to the Shareholders includes but not limited to proposed special dividend to return part of the cash proceeds realised from the Disposal to the Shareholders. The declaration and payment of the proposed special dividend will be subject to, among other things, Completion having taken place, the Directors being satisfied that the Company will remain able to meet its liabilities as they fall due following payment of the special dividend, and compliance with the applicable laws, the constitutional documents of the Company and the Listing Rules. Accordingly, Shareholders should note that there is no assurance that any special dividend will be declared or paid.

The Company intends to declare a special dividend from the Disposal proceeds, but the exact amount and timing are yet to be determined. The allocation of the HK$100.0 million between investments and potential return of capital to Shareholders (including declaration and payment of special dividend) will depend on, among other things, market conditions, investment opportunities, expected returns and risks, the Group's cash flow and financial position. Accordingly, the HK$100.0 million may be applied to investments, a special dividend, or both.

General working capital

Approximately HK$15.8 million, representing approximately 9.5% of the net proceeds, will be used as general working capital for the Group's ordinary business operations which is expected to be applied towards staff costs, administrative expenses, professional fees, property holding and maintenance expenses, interest expenses, taxes and other operating expenses.

The Directors consider that retaining this portion as general working capital is appropriate. Any material change in the use of such proceeds will be made in accordance with the Listing Rules and applicable announcement requirements.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group has always been seeking suitable buyer(s) for the Property, the Directors considered that given the uncertainty in the Hong Kong property market, the Disposal provides an opportunity for the Group to realise and monetise the Property at a consideration which is close to its valuation of approximately HK$524.0 million, while enhancing the Group's liquidity and provide additional cash resources for general working capital and future business development opportunities, and reduce the continuing carrying costs, capital expenditure and operating commitments associated with holding the Property.

The Property is currently operated as a student hostel through the Group's partnership with iRent Group and has achieved a 100% occupancy rate; nevertheless, after taking into account the Property's specific characteristics, valuation, location and marketability, the Board considers that the Disposal provides a timely opportunity to realise the value of the Property at the agreed Consideration, release capital otherwise tied up in a single property asset, reduce the Group's exposure to uncertain factors such as future fluctuations in student demand, occupancy, operating costs, maintenance and refurbishment requirements, regulatory risks, and improve the Group's liquidity and financial flexibility through the application of the net proceeds in accordance with the Company's stated intentions, including strengthening working capital and supporting the Group's continuing businesses; although retaining the Property would allow the Group to continue receiving income from its fully occupied operation, the Board considers that the immediate realisation of value, potential reduction in finance costs and gearing, and enhanced flexibility to redeploy capital into the Group's businesses and other opportunities outweigh the benefits of retention, and accordingly the Board is of the view that the Disposal is commercially justifiable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

After considering the above factors, the Directors, including the independent non-executive Directors, consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE COMPANY AND THE VENDOR

The Company is an investment holding company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1218). The Group is principally engaged in property development, property investment, investment in securities and others and loan financing business which property development and property investment are the core businesses. The Group's portfolio of investment properties comprised of residential, commercial and industrial units located in Hong Kong.

The Vendor is directly wholly-owned by the Company and is the sole legal and beneficial owner of the Target Company.

INFORMATION OF THE PURCHASER

The Purchaser is owned as to (i) 55% by Treasure Supreme International Limited, a company incorporated in the BVI, and is wholly-owned by CMC REIT, and (ii) 45% by Welkin Links Capital Real Estate L.P., a fund set up in the Cayman Islands whose general partner is ProsperCore Limited, a company incorporated in the Cayman Islands. ProsperCore Limited is owned as to (i) 50% by BentallGreenOak China Holdings Limited, a company incorporated in Guernsey ("**BGO China**") and (ii) 50% by Welkin Links Capital Group Limited, a company incorporated in the BVI.

CMC REIT is a Hong Kong collective investment scheme constituted as a unit trust, and is authorized under section 104 of the SFO. The CMC REIT and its subsidiaries is principally engaged in the business of ownership of and investment in income-generating office and retail properties in Hong Kong and the Greater China. CMC REIT is a real estate investment trust constituted by the trust deed entered into between China Merchants Land Asset Management Co., Limited, the manager of CMC REIT, and DB Trustees (Hong Kong) Limited, the trustee of CMC REIT, on 15 November 2019. The units of CMC REIT were listed on Main Board of the Stock Exchange on 10 December 2019 (Stock Code: 1503).

BGO China is controlled by Sun Life Financial Inc, which is a listed company in Canada (Toronto Stock Exchange: SLF).

Welkin Links Capital Group Limited, which is principally engaged in holding of properties related investment, is beneficially owned by not more than 5 individuals, majority of who have years of experience in the financial and investments industry.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in the BVI and is the sole legal and beneficial owner of the Property.

The Property primarily comprises a student accommodation facility known as "The Quad", located at Nos. 470, 472, 474, 476 and 478 Chatham Road North, Kowloon, Hong Kong, with an aggregate gross floor area of approximately 3,890.297 square meter.

For the two years ended 31 March 2025 and 2026, the financial information of the Target Company is as follows:

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
	(audited)	(audited)
Revenue	**18,892**	–
Loss before taxation	**(208,947)**	(10,668)
Loss for the year	**(208,916)**	(10,668)

The audited net liabilities of the Target Company as at 31 March 2026 was approximately HK$221.9 million.

As at 31 March 2026, the inter-company balances owing by the Target Company to the Vendor, the Company and three wholly-owned subsidiaries of the Company (being Main Profit Investment Limited, Good Merit Management Limited and Widetop Investment Limited) amounted to approximately HK$367.6 million, HK$5.0 million and HK$8.1 million, respectively. The inter-company balance represents amounts owed to the respective companies for providing funding and working capital on behalf of the Target Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. The Disposal is subject to reporting, announcement and Shareholders' approval requirements under the Listing Rules.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal. To the best of the Directors' knowledge, no Shareholder has a material interest in the Disposal and accordingly, no Shareholder is required to abstain from voting in respect of the ordinary resolution(s) to approve the Disposal at the SGM.

As at the date of this announcement, Sea Rejoice Limited and Magical Profits Limited, the substantial shareholders of the Company have an aggregate interest in 78,218,288 Shares, representing approximately 52.86% of the total issued Shares as at the date of this announcement. In connection with the Sale and Purchase Agreement, Sea Rejoice Limited and Magical Profit Limited have executed an irrevocable undertaking to vote in favour of the ordinary resolution(s) to approve the Disposal at the SGM.

GENERAL

A circular containing, amongst other things, (i) further information on the Disposal; (ii) the valuation report of the Property; (iii) the financial information of the Target Company; and (iv) a notice convening the SGM will be sent to the Shareholders by the Company. The Directors expect that the circular will be despatched on or before 30 September 2026 in order to allow the Company has sufficient time to prepare the necessary information for inclusion in the circular.

WARNING

Completion is subject to the satisfaction or, where applicable, waiver of the conditions precedents. Accordingly, the Disposal 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 expressions have the following meanings:

"Board"	the board of Directors
"Business Day"	a day on which banks are open for business in Hong Kong, excluding Saturdays, Sundays and public holidays and such other days as specified in the Sale and Purchase Agreement
"BVI"	the British Virgin Islands
"Company"	Easyknit International Holdings Limited (永義國際集團有限公司), an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1218)
"Completion"	completion of the sale and purchase of the Sale Share in accordance with the Sale and Purchase Agreement
"connected person"	the meaning ascribed thereto in the Listing Rules
"Consideration"	the consideration payable by the Purchaser for the Sale Share under the Sale and Purchase Agreement, subject to adjustment

"Constance Capital"	Constance Capital Limited (弘雅資本有限公司), a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company and a licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
"CMC REIT"	China Merchants Commercial Real Estate Investment Trust (招商局商業房地產投資信託基金), a Hong Kong collective investment scheme constituted as a unit trust and authorized under section 104 of the SFO
"Deviation"	the demolition of the wall(s) separating the gym and certain rooms on the 5th floor of the Property
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Share by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	person(s) (and in the case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who, to the best knowledge and belief of the Directors, as the case may be, having made all reasonable enquiries, is or are third party(ies) independent of and not connected with the Company, as the case may be, and their respective connected persons (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	31 December 2026 or such later date as the Vendor and the Purchaser may agree in writing
"Main Board"	the main board maintained and operated by the Stock Exchange

"PRC"	the People's Republic of China
"Property"	all those pieces or parcels of land registered in the Land Registry as the remaining portion of section A of Kowloon Inland Lot No. 1526, Subsection 3 of Section A of Kowloon Inland Lot No. 1526, the remaining portion of subsection 1 of section A of Kowloon Inland Lot No. 1526, subsection 2 of Section A of Kowloon Inland Lot No. 1526 and section D of Kowloon Inland Lot No. 1526 together with the messuages erections and buildings thereon now known as "NO.470 CHATHAM ROAD NORTH (formerly known as No.470 Chatham Road), NO.472 CHATHAM ROAD NORTH (formerly known as No.472 Chatham Road), NO.474 CHATHAM ROAD NORTH (formerly known as No.474 Chatham Road), NO.476 CHATHAM ROAD NORTH (formerly known as No.476 Chatham Road) and NO.478 CHATHAM ROAD NORTH (formerly known as No.478 Chatham Road)
"Purchaser"	Quantum Living Accommodation Limited, a company incorporated in the BVI, an Independent Third Party
"Sale and Purchase Agreement"	a conditional sale and purchase agreement dated 28 August 2026 entered into among the Vendor, the Purchaser and the Company in relation to the Disposal
"Sale Share"	all issued ordinary shares in the Target Company, representing its entire issued share capital
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
"Share(s)"	ordinary share(s) of par value HK$0.05 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)

"Sheung Yue General Offer"	the mandatory unconditional cash offer to be made by Constance Capital for and on behalf of the offeror to acquire all the issued shares of Sheung Yue Group Holdings Limited (上諭集團控股有限公司) (Stock Code: 1633) (other than those shares already owned or agreed to be acquired by the offeror, its ultimate beneficial owner or parties acting in concert with any of them) in accordance with the Hong Kong Code on Takeovers and Mergers
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Success Active Limited, a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of the Company
"The Quad"	the student hostel operating at the residential portion of the Property
"Vendor"	Yue Heng Real Estate Holdings Limited (宇恒地產控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, and a direct wholly-owned subsidiary of the Company
"Vendor's Guarantor"	the Company
"%"	per cent.

By order of the Board
EASYKNIT INTERNATIONAL HOLDINGS LIMITED
Koon Ho Yan Candy
President and Chief Executive Officer

Hong Kong, 28 August 2026

As at the date hereof, the Board comprises Ms. Koon Ho Yan Candy and Ms. Lui Yuk Chu as executive Directors; and Mr. Tsui Chun Kong, Mr. Lau Chak Hang Charles and Mr. Ma Man Yuet as independent non-executive Directors.

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