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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)**

### **MAJOR TRANSACTION**

A wholly-owned subsidiary of the Company entered into the Agreement with the Purchaser on 21 September 2010 to dispose of the Property at a consideration of HK\$88,500,000. The Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

Each of Sea Rejoice and Magical Profits has given their written irrevocable approval of the Agreement and the transactions contemplated thereunder for the purposes of Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Shareholders will be held to consider and approve the transactions under the Agreement.

A circular containing, amongst other things, further information on the Disposal will be despatched to the Shareholders on or before 18 October 2010.

On 21 September 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement as vendor with the Purchaser as purchaser whereby, inter alia, the Vendor agreed to sell and the Purchaser agreed to purchase the Property.

### **SUMMARY OF THE AGREEMENT**

Date: 21 September 2010

Parties: (i) Goldchamp International Limited (as Vendor)  
(ii) Fine View Corporation Limited (as Purchaser)  
(iii) Midland Realty International Ltd. (as Agent)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and the Agent and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules). As far as the Directors are aware, the Purchaser is an investment holding company and the Agent carries out real estate agencies services in Hong Kong.

**Property:** The Property is a residential property being House No. 11 and the garden appurtenant thereto and car parking space nos. 11A & 11B Las Pinadas, No. 33 Shouson Hill Road, Hong Kong. The Vendor shall sell and the Purchaser shall acquire the Property on an "as is" basis.

The Disposal is subject to an existing tenancy which will expire on 31 January 2012.

**Consideration:** The consideration for the Disposal is HK\$88,500,000. An initial deposit amounting to HK\$4,300,000 has been paid to the solicitor of the Vendor (on behalf of the Vendor) upon signing of the Agreement. Further deposit of HK\$4,550,000 will be paid to the solicitor of the Vendor (on behalf of the Vendor) upon signing of the formal sale and purchase agreement which is expected to be on or before 30 September 2010. The remaining balance of HK\$79,650,000 shall be paid by the Purchaser upon Completion, which is expected to be on or before 28 January 2011.

The consideration has been agreed between the parties based on arm's length negotiations with reference to market price of nearby properties. On the above basis, the Directors consider the terms of the Disposal to be fair and reasonable and in the interests of the Shareholders as a whole.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Company is an investment holding company and its subsidiaries are principally engaged in property investment and development.

The Property is subject to a two-year tenancy from 1 February 2010 to 31 January 2012. For the financial year ended 31 March 2010, the Property attracted rental of approximately HK\$336,477 (for the financial year ended 31 March 2009: nil).

The audited net asset value of the Property as set out in the audited financial statements of the Group for the year ended 31 March 2010 was HK\$70,000,000.

Based on the audited net asset value of the Property as at 31 March 2010, the Disposal would enable the Group to recognise a gain of HK\$18,500,000 (before selling expenses). The Group intends to use the proceeds of the Disposal for general working capital.

With the recent upturn in Hong Kong's property market, the Directors consider that it is now a good opportunity for the Group to dispose of the Property and recognise the profits arising therefrom.

The Directors are of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **GENERAL**

As the applicable percentage ratios for the Disposal exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the purposes of Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

The Purchaser has confirmed to the Company that it and/or any of its associates did not own or hold any Shares carrying voting rights at the general meetings of the Company. So far as the Company is aware, no Shareholder is required to abstain from voting at a general meeting on the resolution to approve the transactions under the Agreement.

As at the date of this announcement, Sea Rejoice beneficially owns 17,429,664 Shares, representing approximately 21.95% of the issued share capital of the Company and Magical Profits holds 29,179,480 Shares, representing approximately 36.74% of the issued share capital of the Company. Sea Rejoice was wholly-owned by Ms. Lui Yuk Chu, an executive Director and Vice President of the Company. Magical Profits was wholly-owned by Accumulate More Profits Limited which in turn was wholly-owned by Hang Seng Bank Trustee International Limited as trustee of The Magical 2000 Trust (the beneficiaries of which include Ms. Lui Yuk Chu and her family members (include Ms. Koon Ho Yan, Candy, the daughter of Ms. Lui and an executive Director of the Company) other than the spouse of Ms. Lui).

Each of Sea Rejoice and Magical Profits has given their written irrevocable approval of the Agreement and the transactions contemplated thereunder for the purposes of Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Shareholders will be held to consider and approve the transactions under the Agreement.

A circular containing, amongst other things, further information on the Disposal will be despatched to the Shareholders on or before 18 October 2010.

## DEFINITIONS

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

“Agent”	Midland Realty International Ltd.
“Agreement”	the binding provisional sale and purchase agreement dated 21 September 2010 entered into between the Vendor, the Purchaser and the Agent in relation to the Disposal of the Property
“Board”	the board of Directors
“Company”	Easyknit International Holdings Limited (永義國際集團有限公司), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Disposal”	the proposed disposal of the Property by the Vendor pursuant to the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Magical Profits”	Magical Profits Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which holds 29,179,480 Shares as at the date of this announcement
“percentage ratio(s)”	the meaning ascribed thereto in Chapter 14 of the Listing Rules

“Property”	a residential property being House No. 11 and the garden appurtenant thereto and car parking space nos. 11A & 11B Las Pinadas, No. 33 Shouson Hill Road, Hong Kong
“Purchaser”	Fine View Corporation Limited, a company incorporated in Hong Kong with limited liability
“Sea Rejoice”	Sea Rejoice Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which beneficially owns 17,429,664 Shares as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Goldchamp International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

By Order of the Board  
**Easyknit International Holdings Limited**  
**Kwong Jimmy Cheung Tim**  
*President and Chief Executive Officer*

Hong Kong, 24 September 2010

*As at the date of this announcement, the Board comprises Mr. Kwong Jimmy Cheung Tim, Ms. Lui Yuk Chu and Ms. Koon Ho Yan, Candy as executive Directors; Mr. Tse Wing Chiu, Ricky as non-executive Director; and Mr. Tsui Chun Kong, Mr. Jong Koon Sang and Mr. Hon Tam Chun as independent non-executive Directors.*